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TODAY:
STAGE
Belgian Carnival Page 2

Kim Opens 'New Age' Of Healing in Korea

Reconciliation Resounds in Inauguration

By Mary Jordan
and Kevin Sullivan
Washington Post Service

before the Supreme Court in chains and a white prison uniform. His charge, Mr. Laney said, was essentially "being too popular an opposition leader" for the president and dictator then, Park Chung Hee.

Over the next two decades, Mr. Kim would spend years in jail and under house arrest. Mr. Laney called it remarkable that Mr. Kim has become the nation's leader, adding that his "enormous

and financially sound

Boat in mind, however, that of the people. Pumwana does

not know outside this

that music from faraway

will not sell Disneyesque

watered down. The real authentic

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and this is what makes it fresh

to Western ears, it also makes it dif

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ASIA/PACIFIC

Buffing Burma's Image: Lobbyists' Pot of Gold

Firms Take Aim at Washington's Sanctions

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The military rulers of Burma are well aware they have an image problem in Washington. The Clinton administration and human rights groups regularly recount how the generals took office by hijacking a 1990 election, keep hundreds of opponents in inhumane prisons and solicit investments from Asian drug lords.

But a bad image can mean big business for Washington's public relations and lobbying firms. Several firms have been conducting a campaign on Burma's behalf in classic Washington style — producing upbeat newsletters, arranging seminars and interviews and financing all-expense-paid trips — partly to persuade the Clinton administration to lift trade sanctions against the regime.

For a fee of nearly \$500,000, for example, a Burmese company that U.S. officials say is close to the military leadership hired a former assistant secretary of state for narcotics control, Ann Wroblewski, and her lobbying firm, Jefferson Waterman International, last year to communicate the company's "positions and interests," according to the contract. Ms. Wroblewski is well known to the regime from her counter-narcotics work, which occurred when Burma was becoming the principal exporter of heroin sold on U.S. streets.

Another well-connected firm in Burma's capital of Rangoon hired a public relations firm and a lobbying firm last year, paying \$252,000 to Jackson Bain, a former television reporter, to help the Burmese Embassy burnish the country's reputation, and an undisclosed sum to the Atlantic Group, a lobbying company that is working more directly to help overturn the U.S. sanctions.

In addition, various U.S. corporations that want to do business with Burma or already invest there, including Unocal Corp., an energy company, have been spending money to promote the idea that Washington's barriers to new U.S. trade with Burma do not reflect a politically sound U.S. strategy. The sanctions, which President Bill Clinton imposed last May, bar new investment by U.S. firms in commercial or energy projects.

A Washington educational and ad-

vocacy organization called The International Center drew on donations from such corporations to help fund a trip in October by three former high-ranking Defense Department and State Department officials, who met with top military officials as well as with the opposition leader Aung San Suu Kyi, the winner of the 1991 Nobel Peace Prize.

The three former officials, Morton Abramowitz, Richard Armitage and Michael Armacost, subsequently sent their policy advice to Samuel Berger, the national security adviser, and briefed lawmakers and staff on Capitol Hill.

In a private letter to Mr. Berger, the three men counseled that some sanctions should remain in place, but urged that Washington try to adopt a more flexible approach permitting international loans for health care and education. Eventually, they added, Washington should reconsider keeping any sanctions on Burma. "Sanctions over time will become a wasting asset and slow Burma's exposure to the outside world," they wrote.

The administration has given no hint that it plans to relax Burma sanctions.

Unocal, which has a 28 percent stake in a billion-dollar natural gas project in Burma, gave \$30,000 to The International Center last July, after hearing from Frances Zwenig, the center's director, about the trip proposal in March. But Ms. Zwenig said the funds were not intermingled with those of the other corporations that helped underwrite the trip.

Maureen Aung-Thwin, who directs the Soros Foundation's Open Society Institute Burma Project, complained that the reception Burma gets from such institutions in Washington "sends really mixed signals to a government that is beginning to feel the pressure of the isolation and the sanctions."

Lobbyists promoting a positive image of Burma say that they are doing nothing wrong. Mr. Bain said he knew the Burmese government was repressive. But he said he enjoyed the challenge of disseminating information that gave a fuller picture of the country.

The work is an uphill battle. According to the State Department's most recent report on Burma, the Burmese regime "made no progress" in moving toward democratization and continued its "severe violations" of human rights.

Taiwan Reacts Mutedly To China's Offer of Talks

By Edward A. Gargan
New York Times Service

HONG KONG — After two and a half years in the deep freeze, China sought Tuesday to thaw its relations with Taiwan by offering to resume discussions over the future of the island, an island Beijing regards as a rebel province and which it still threatens to retake by military force.

The invitation, in a letter, comes on the heels of a series of visits to the island by former senior American officials, all of whom urged Taipei to begin talking to Beijing again. The Beijing invitation read, "We are willing to discuss procedural matters regarding opening political talks across the Taiwan Strait and we are prepared to resume discussions of economic and technical issues."

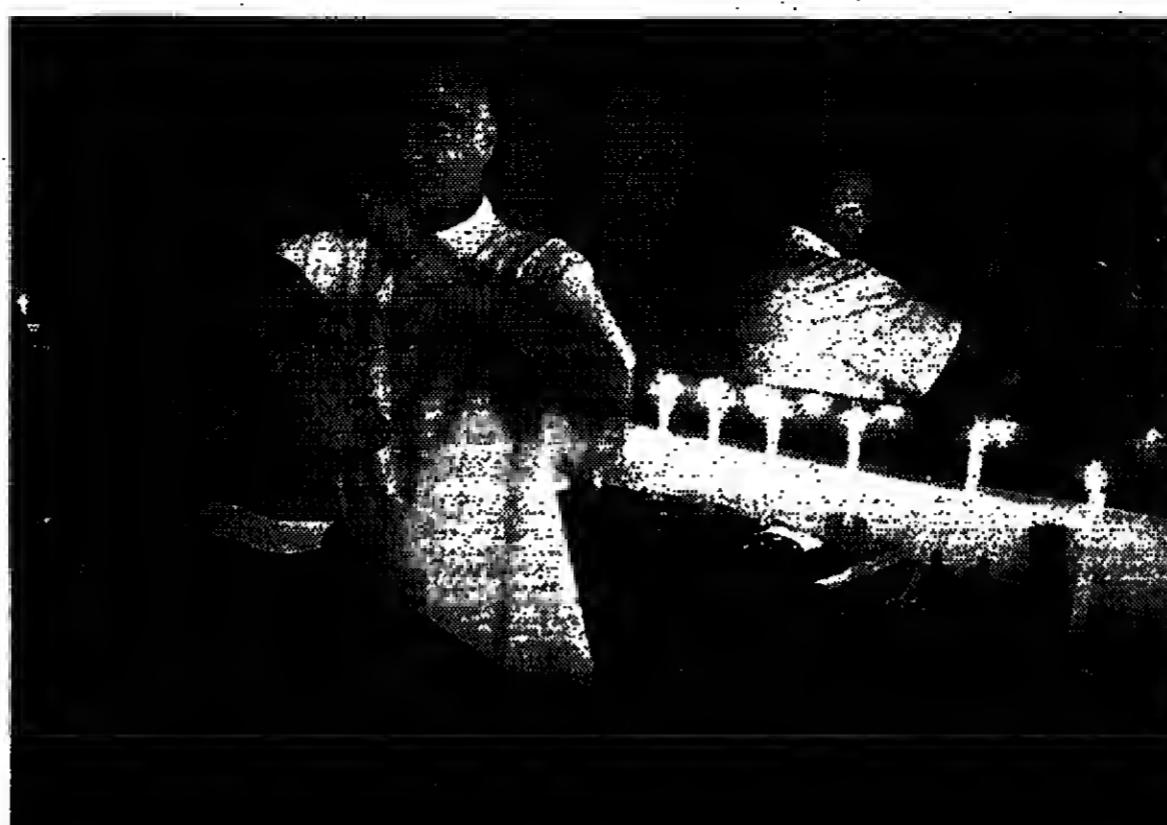
In a muted response, Chang King-yu, the chairman of the Mainland Affairs Council, the body that devises the government's strategy toward Beijing, described Beijing's letter as "positive." For Taiwan's leaders, the invitation comes at

a time when they feel they are under growing pressure from the United States to renew contacts with Beijing. And while publicly Taiwan officials insist that any discussions be limited to topics like commercial relations and travel links; political issues are not on the table.

Since Mao Zedong's armies marched into Beijing in October 1949, and then quickly captured the rest of the mainland, sending Chiang Kai-shek's Nationalist army fleeing to Taiwan, the two sides of the Taiwan Strait have been formally at war. Only in 1993, after virtually all of Taiwan's diplomatic relations with the world had evaporated and as China was beginning to exert growing influence on Asia, did both sides agree to meet.

While Beijing has repeatedly and publicly declared that Taiwan is an integral part of China, Taiwan has maintained a rhetorically ambiguous posture that espoused a belief in a single China while insisting that Taiwan remained "an independent, sovereign state."

"It's really critical for us," said the



Neville Spence working by candlelight as the blackout in Auckland dragged into its fifth week. The power company said Tuesday that it would take another two weeks for all electricity to be restored to the city.

Angry Auckland Is Still in the Dark

Parliament Demands Answers as Blackout Forces Firms to Flee the City

Agence France-Presse

AUCKLAND, New Zealand — The government was engulfed in a political storm Tuesday as electricity suppliers said it could take two weeks to end a blackout that has cut all power to New Zealand's commercial hub.

During a debate in Parliament, Deputy Prime Minister Winston Peters assailed the retail electricity supplier Mercury Energy in an attack that amounted to an assault on the government's efforts to privatize and deregulate the electricity industry.

The last of four cables feeding Auckland's central business district failed Friday night, and it may take until March 9 before normal services can be restored.

The first of the electrical cables failed on Jan. 22, the second on Feb. 9 and the third on Thursday. The gas-filled cables are 40 years old and were supposed to have a working life of 60 years.

Hundreds of residents have been evacuated, universities and technical institutes have been closed and legal and corporate headquarters have fled to the suburbs, Wellington and Australia.

The blackout was extended Tuesday to another suburb, and water-heating in

the surrounding suburbs has been cut.

The manager of the Mercury network, Richard Gibbons, said that although the utility had conservatively planned to have all four cables back on line by March 9, consumers should not count on the service being totally reliable.

"If you have got power, don't expect to keep it. If you don't have it, don't expect it back," Mr. Gibbons said.

The mayor of Auckland, Les Mills, said businesses that had moved out of the city should plan to move back on March 9. "There will be some angry people; there will be some rotting food," he said.

"I know some people who will enjoy going off and having a holiday at the beach."

In Parliament, meanwhile, Energy Minister Max Bradford said: "This is little short of a disaster, and nobody can gainsay that. It should have never happened, but we have to learn from what happened, why it happened, so that we can at least plan with some certainty that it will never happen again."

He defended his "electricity reforms" and said a government investigation would determine what had happened.

Mr. Peters, the deputy prime minister, said the blackout would probably skim 0.1 or 0.2 percentage points off the nation's economic growth this year.

"We've got one of the most modern cities in the world reduced to Third World status, and we in this government are going to discover what kind of operation Mercury Energy was running and who was responsible for what happened," he said.

Mr. Peters said the company's annual report last year had warned of a likely cable failure.

"This emergency cannot be blamed on bad luck," he continued, "it cannot be blamed on coincidence, it cannot be blamed on pure chance, freak events or the weather."

Mr. Gibbons of Mercury Energy has said he does not know why the cables failed.

The company is owned by its customers through a trust, but in an unusual arrangement five of its nine directors are appointed by an Auckland law firm, Russell McVaugh.

The owners — the public — have no control over the company, and Mr. Peters said he wanted the inquiry to establish why that was so.

U.S. Accuses 2 Of Hawking Organs From Slain Chinese

By Blaine Harden
Washington Post Service

NEW YORK — Two men have been charged with conspiracy to sell organs taken from the corpses of executed Chinese prisoners.

The two allegedly offered to sell kidneys, livers, pancreases, corneas, ileum from nosemakers and skin from young people.

U.S. Attorney Mary Jo White said Monday that the suspects were arrested Friday in New York after offering to sell organs to an FBI agent posing as a member of the board of a dialysis center. One of the two carried documents identifying him as a former prosecutor in China's Hainan Province and claimed to have participated in executing prisoners.

The United States suffers from a acute shortage of organs for transplant, with about 36,000 people waiting for kidneys and about 9,800 waiting for livers. Human rights organizations long asserted, and the Chinese government has long denied, that China steals organs from executed prisoners. About 4,000 Chinese prisoners were executed in 1996.

[China on Tuesday again denied to a program to sell organs of executed prisoners. Reuters reported Beijing.

"The Chinese government has indicated that such incidents will not happen in China," a Foreign Ministry spokesman said. "If such incidents occur, Chinese law will punish the offenders."

A federal law passed last year made it a felony to sell organs for transplant. The charge filed Monday apparently is the first brought under that law, according to the U.S. attorney's office.

In the meeting Friday with the a one of the suspects, Cheng Yong Wei, identified as the former Chinese prosecutor, discussed methods by which Chinese prisoners were executed, said the organs he wanted to sell were come from prisoners, according to federal complaint.

The former prosecutor, a Chinese citizen who entered the United States on May on a work visa, told an FBI agent that he had "participated in the execution of Chinese prisoners," according to the complaint.

The second man, Xingqi Fu, also known by the name of Frank Fu, offered to the FBI undercover agent two cc for \$5,000, according to the complaint.

Kim Girds for Struggle on Choice of Prime Minister

By Don Kirk
International Herald Tribune

SEOUL — Within hours of his inauguration Wednesday, Kim Dae Jung planned to urge the assembly to approve his choice of the prime minister and back economic legislation necessary for a Korea "standing on the brink of disaster."

"We will never be able to overcome today's crisis without cooperation from you," said the prepared text of the speech.

The choice of Kim Jong Pil faces obstacles because the majority party in the assembly, the Grand National Party, argues that lacks the background and ability to deal with an economic crisis that has forced South Korea to get help from the International Monetary Fund.

Assembly members were to begin de-

bate on the prime minister after the inauguration Wednesday morning on the steps of the great domed assembly building here.

Members of both Kim Dae Jung's National Congress for New Politics and Kim Jong Pil's United Liberal Democrats are hoping for a split in the ranks of the Grand National Party, which holds 162 of the assembly's 299 seats. With a combined total of 121 seats, the minority parties are hoping to pick up support from a dozen members of splinter parties and then persuade as many as 20 Grand National members to join their side, providing the 150 votes needed to ensure approval of Kim Jong Pil.

But Kim Moon Su, a member of the Grand National Party, said that the choice of Kim Jong Pil was supported by Assembly members to begin de-

bate on the prime minister after the inauguration Wednesday morning on the steps of the great domed assembly building here.

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A former army colonel, Kim Jong Pil was a principal figure in the 1961 coup that brought General Park to power. Kim Jong Pil later formed the Korean Central Intelligence Agency, and he was prime minister when government agents kidnapped and tried to kill Kim Dae Jung in 1973.



President Kim Young Sam greeting neighbors Tuesday as he returned to his home at the end of his term.

disaster," the draft of Mr. Kim's speech said.

The ceremony was to begin with a tolling of the Poshin-gak bell, which was rung in 1945 to announce the end of Japan's brutal 35-year occupation of the Korean Peninsula, and later the formation of the South Korean Republic. As a "flame of hope" was lit atop Namsan Mountain in central Seoul, the crowd gathered in the massive open park was to be treated to a video display of great moments in the nation's history, including national independence in 1948 and the 1988 Summer Olympics held in Seoul.

More than 1,500 doves were to be released as a sign of peace on the divided Korean Peninsula. Silks from provinces across South and North

Korea was to be symbolically mixed together, and Mr. Kim was to plant a "tree of reconciliation."

In a departure from the hawkish rhetoric of Kim Young Sam, who was stepping down as president, Kim Dae Jung also said his goal was to reconcile with North Korea, the world's last great Stalinist bastion and a sworn enemy of its capitalist sibling.

Mr. Kim spoke directly to North Koreans, assuring them that whatever aspirations South Korea may have had in its more flush days about quickly uniting with its poor Communist half are gone.

"We do not have any intention to harm or absorb North Korea," he said in the draft of his speech.

South Korea no longer has the

money for a rapid integration with the North, which is one of the most impoverished nations in the world and is plagued by chronic food shortages bordering on famine.

Mr. Kim said that he would gradually end the "shame" of the divided peninsula through a cooperative reunification and that he would push for immediate improvements in communication with the isolated country.

The Cold-War style of South-North relations for over a half century, during which members of separated families could not confirm whether their own parents and brothers and sisters are alive or dead, let alone carry on dialogue and exchanges, must be liquidated as soon as possible," he said.

Troops Patrol Sumatra

JAKARTA — Indonesian troops were patrolling two towns on Sumatra after a series of riots against rising prices, the first to hit the western island, residents and police said Tuesday.

Residents said the towns of Rantau Prapat and Aeknabara, in North Sumatra province, were calm after last week's riots in which a mob looted and ransacked shops selling basic commodities.

At least five people have been killed and scores of shops looted and burned in recent weeks by mobs angered by rising prices on the islands of Java, Sulawesi, Flores and Sumbawa.

Shops owned by ethnic Chinese have borne the brunt of recent attacks as rioters blame the merchants rather than government policies for the price rises. (Reuters)

Marcos in Poll Dispute

MANILA — The Philippine elections commission suspended a chaotic hearing Tuesday on the disqualification of dozens of "nuisance" presidential candidates after a lawyer for Imelda Marcos, widow of former President Ferdinand Marcos, demanded the chief commissioner step aside.

As 41 rival candidates, including nine in a robe who claimed to be god, competed for attention, Vicente Millora, Mrs. Marcos's lawyer, insisted that the chairman of the commission should disqualify himself for having said that only a few candidates deserve to run in the May 11 election.

Bernardo Pardo, the commission chairman, said last week that most of the 83 registered presidential candidates, including Mrs. Marcos, were not serious contenders because they had insufficient resources, little backing, or no political party. The commission told all but seven can-

didates that they must demonstrate at Tuesday's hearing why they should not be eliminated as "nuisance" candidates.

After Mr. Pardo declared the hearing over, candidates were told to submit written documentation of their qualifications.

Pakistan to Push Islam

ISLAMABAD — Setting the tone for what promises to be a strongly religious tenure, Pakistan's new president urged Parliament on Monday to give Islam a stronger role in running the nation.

President Mohammed Rafiq Tarar advocated creation of an Islamic banking system, called for greater religious influence over state broadcasting, and suggested appointing a team to travel the world enhancing the image of Islam.

Mr. Tarar's first speech to Parliament came on the heels of a weekend of ethnic and sectarian violence that left 11 people dead. Two of the dead were Iranian Shiite Muslims, believed to have been killed Friday by militant Sunnis in Karachi. Iran warned that more violence against its citizens could seriously damage relations between the two Islamic countries. (AP)

After Mr. Pardo declared the hearing over, candidates were told to submit written documentation of their qualifications.

Continued from Page 1

to the economic collapse that nearly left the world's 11th-largest economy bankrupt just before Christmas.

A populist and popular leader who has reassured the nation with calm competence since his December election, Mr. Kim promises to be the most open, democratic leader in the nation's history. He tried to narrow the gap between the

U.S. Accuses Of Hawking Organs From Slain Chinese

By Blaine Harden
Washington Post

NEW YORK — Two men have charged with conspiracy to sell organs taken from the corpses of other Chinese prisoners.

The two allegedly offered to sell news, livers, pancreases, corneas, livers, non-smokers and skin from people.

U.S. Attorney Marc Jo White said Friday that the suspects were arrested with about 38,000 people waiting in line. Human rights organizations long asserted, and the Chinese government has long denied, that China extracts organs from executed prisoners.

The United States suffers from acute shortage of organs for transplant, with about 38,000 people waiting in line. Human rights organizations long asserted, and the Chinese government has long denied, that China extracts organs from executed prisoners.

China Tuesday again denied a program to sell organs of executed prisoners. Reuters reported.

The Chinese government has denied that such incidents will happen in China, a Foreign Ministry spokesman said. "If such incidents occur, Chinese law will punish the offenders."

A federal law passed last year makes it illegal to organ transplant, the spokesman said Monday, apparently the first such under that law, according to the U.S. attorney's office.

On the morning Friday with the arrival of the Chinese Cheng Yen Li, 21, chairman of the former Falun Gong spiritual movement, Chinese officials were stunned when the group wanted to exhibit its beliefs, according to reports.

The Falun Gong, a Chinese spiritual group, has the United States as its main base, but as of May 1, 1995, it has been banned.

Mr. White, who is in the U.S. to meet with Chinese officials, said he will meet with the Chinese delegation to discuss the case.

Time Minister

With Authoritarian

Angry With Court, De Niro Promises to Shun France

Agence France-Presse

PARIS — In a bitter attack against France, the film star Robert De Niro said Tuesday that he would never return to the country because of a highly publicized nine-hour interrogation about an international call-girl ring.

"I will never return to France," the American actor told the newspaper *Le Monde*. "I will advise my friends against coming. I don't care about the Cannes film festival. And I will send your Legion of Honor

back to the embassy, quickly. I see no reason to keep this kind of thing from a country that betrays its motto, Liberty, Equality and Fraternity."

Mr. De Niro, who has been in Paris since October to make a movie, was called in for questioning on Feb. 10 as a witness in the investigation of a prostitution ring.

"I have never in my whole life paid a woman," the 54-year-old actor said. "And if I had, it wouldn't be a crime. But I have never had to."

This month, his counsel, Georges Kiejman, a former justice minister and celebrity lawyer, said the actor had filed a complaint for violation of freedom of movement and right to legal privacy because of the conditions in which he was brought in for questioning by a magistrate, Frederic N'Guyen.

In *Le Monde*, the Oscar-winning actor accused Mr. N'Guyen of "abuse of power" for having him brought to police headquarters without warning and under heavy escort

and for keeping him from his work for nine hours.

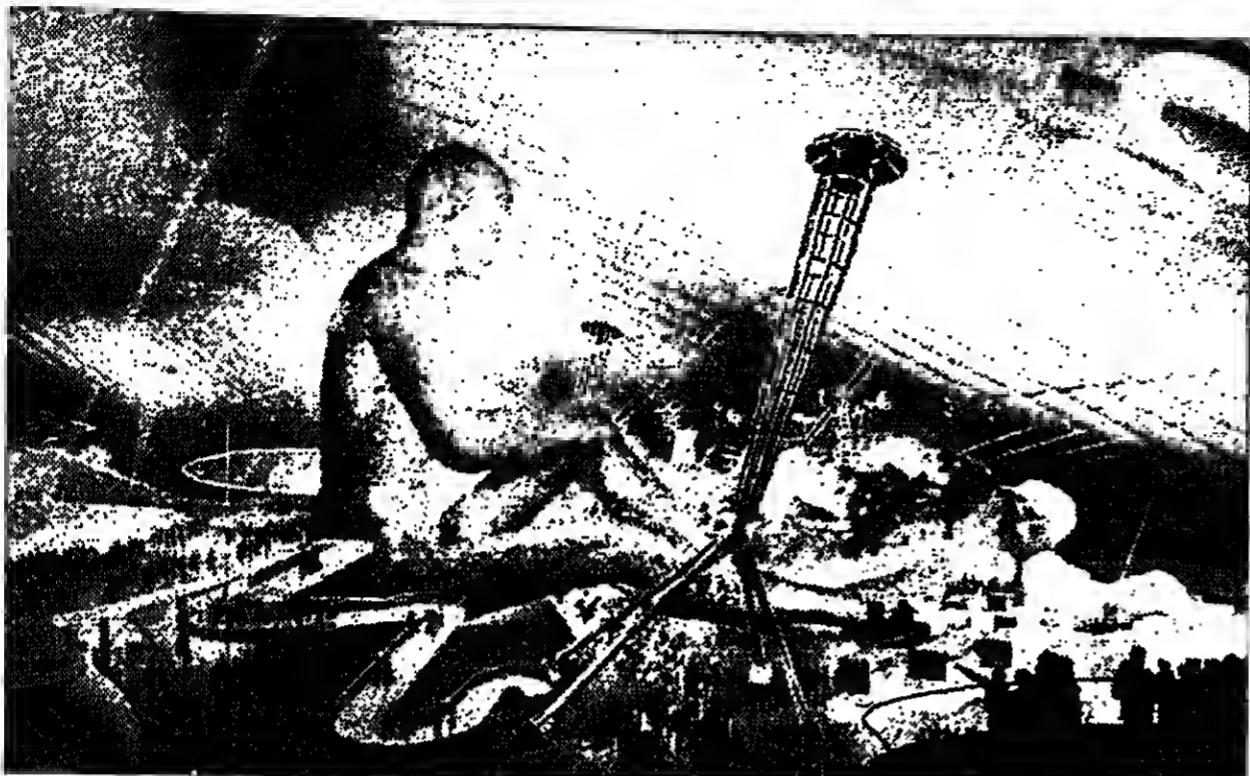
"I went crazy," he said, when half a dozen officers knocked at the door of his apartment in the swank Bristol Hotel.

Mr. De Niro had just gone to sleep after a full night's work on "Ronin" with the director, John Frankenheimer, and Mr. Kiejman was reported to have advised Mr. N'Guyen that the actor was willing to cooperate if the interrogation took place outside his work hours.

"There were no charges against me," Mr. De Niro said. "My name was in an address book and someone had seen me in a villa. So what? They showed me photos of young women and asked if I knew them. I knew one and I'd seen two."

"Had I paid them?" he continued. "No, no and no."

"Now I have to explain to my family that I was an accidental victim, but there's always that false saying about there being no smoke without fire."



A computer graphic made available Tuesday showing "The Body Zone," an exhibit planned for the dome.

The Millennium Dome Attracts Deep Pockets

Reuters

LONDON — British and American companies have promised millions of pounds to sponsor the Millennium Dome, which is under construction in southeast London, the chief executive of British Airways said Tuesday.

Robert Ayling, BA's chief and chairman of the government-owned New Millennium Experience Company, said companies had promised £58.8 million (\$96.5 million) so far.

He said that he was negotiating for an additional £16 million in sponsorship funds and that talks were continuing with about 40 other companies.

"There will be no difficulty at all in attracting support," Mr. Ayling said at a news conference after Prime Minister Tony Blair unveiled a preview of the dome's contents. "People will not want to be left out."

The £758 million building is the biggest single construction project in Europe, and the most ambitious effort by any government to celebrate the turn of the century. The exhibition inside is billed as a multimedia experience about the nature of time and the way Britons will live in the 21st century.

Mr. Ayling said sponsorship pledges were running slightly ahead of expectations. The target is £150 million.

Mr. Blair, speaking to a gathering of potential business sponsors over breakfast, said British Telecommunications, Manpower Inc., the supermarket chain Tesco and the satellite television broadcaster BSkyB had each pledged £12 million as founding partners.



SUMMITRY — Chancellor Helmut Kohl of Germany and Prime Minister Jose Maria Aznar bowing Tuesday to an honor guard near Madrid.

3 Spanish Basques Sentenced

MADRID — A Spanish court sentenced three members of the Basque separatist group ETA to 30 years in prison Tuesday for an armed attack on a policeman, a legal source said.

The three — Agustin Almaraz Larranaga, Jose Ignacio Alonso Rubio and Armando Legaz — were convicted in the shooting in December 1992 in the Basque city of San Sebastian.

They were also ordered to pay 350 million pesetas (\$2.3 million) to the officer, Isidro Artigas Agesta. He was hit by several shots while he worked in an identity papers office and was left a paraplegic.

Mr. Almaraz and Mr. Alonso had previously been sentenced to 29 years in prison for involvement in a murder case.

(AP)

Bosnian Serb Surrenders

BOSANSKI SAMAC, Bosnia-Herzegovina — Simo Zaric, a Bosnian Serb war crimes suspect, surrendered Tuesday to the Republika Srpska police here to be handed over to the United Nations war crimes tribunal in the Netherlands.

Followed by U.S. Embassy officials and the police, Mr. Zaric and his lawyer then drove to a base of the NATO-led peacekeeping force in Bosnia, from where he will be transferred to The Hague.

Mr. Zaric is one of six Bosnian Serbs indicted by the International Criminal Tribunal for the former Yugoslavia in The Hague in connection with the forced expulsion of non-Serbs from the Bosanski Samac area during the 1992-95 war.

Land-Mine Campaign Moving

PARIS — The International Campaign to Ban Land Mines, winner of the 1997 Nobel Peace Prize along with its coordinator, Jody Williams, has decided to move its secretariat to Paris, according to the French aid group Handicap International.

The decision followed a meeting in Frankfurt last week on the future of the campaign, which was founded in 1992 and which brings together some 1,000 groups seeking to outlaw anti-personnel mines.

Until now the secretariat has been based in the United States under the aegis of one of the campaign's core members, the Vietnam Veterans of America Foundation.

(AP)

Greece Offers Talks to Turkey

ANKARA — Greece's foreign minister is willing to meet with his Turkish counterpart to seek a political agreement on disputes that have twice brought the NATO allies to the brink of war a decade.

"We think everybody knows what the problems are," the Greek ambassador, Dimitris Nezeris, said Tuesday.

"At this stage we need a political agreement on how to move forward on solving those problems."

According to Mr. Nezeris, Athens has proposed a meeting in May between the two foreign ministers, Theodoros Pangalos of Greece and Ismail Cem of Turkey, on the sidelines of a Western European Union meeting on the Greek island of Rhodes.

He said that Athens was willing to go along with Turkish suggestions to implement NATO proposals to build confidence in countries on the Aegean Sea and to convene a council of "wise men" sponsored by the European Union, to discuss their disputes.

Turkey and Greece have long-standing disputes over control of the Aegean's airspace, waters, seabed mineral rights and the divided island of Cyprus.

(AP)

In Diana's Hometown, Her Brother's No Prince of Hearts

By Sarah Lyall
New York Times Service

GREAT BRINGTON, England — At a recent meeting, the parish council in this tiny village presented its new footpath report. It disclosed its plans for Operation Spring Cleaning, in which volunteers help tidy the shrubbery and pick up debris. It reviewed the traffic situation on Main Street.

And it discussed Earl Spencer's proposals to convert a 50-room stable complex on his estate, Althorp, into a museum honoring his sister, Diana, Princess of Wales; to build a cafe and a Diana gift shop, and to construct a 500-car parking lot to prepare for the hundreds of thousands of people from around the world who are sure to descend on the area this summer.

That is only the beginning. Next to a village with 220 residents and no traffic lights, the earl is also planning an open-air rock concert in Diana's memory in June. In a move that has successfully alienated the neighbors on the other side of his 8,500-acre (3,400-hectare) estate, he is proposing to sell 400 acres of property, some of it pristine woodland, to developers.

Lord Spencer, who refuses to give interviews and who spends most of his time in self-imposed exile in Cape Town, has not been home much to discuss his plans, and people in Britain are not particularly eager to see him.

After a brief moment of public glory, when he rose like a fury at Diana's funeral in September and attacked the British royal family for mistreating her, he tumbled

quickly from favor. He had only himself to blame, the feeling seemed to be: He had forgotten about his own glass house when he started to throw stones.

The criticisms came thick and fast. His wife, Victoria, said during their divorce proceedings that the earl had repeatedly cheated on her even as she was suffering from anorexia, drug addiction and alcoholism. The press he had pilloried reported that he had sold stories about his once-happy family to glossy magazines for hundreds of thousands of dollars. Members of the public accused him of cashing in on Diana's memory by charging a steep \$16 for tickets to Althorp, where she was buried after being killed in an automobile accident in Paris.

To add insult to injury, the

33-year-old earl's efforts to force Britain to enact a privacy law that would make it illegal for the news media to delve into people's private lives was rejected last month when the European Court of Human Rights summarily dismissed his case.

None of this really affects Great Brington and the planning applications, although it has not made Lord Spencer the village's most popular absentee landlord.

"He's been made who he is by the circumstances around him, and I feel quite sorry for him," said Rob Shardlow, a 30-year-old resident. "But the guy's a multimillionaire and he acts like a bit of a prat."

They mention Elvis and Graceland under their breaths, wonder if what one resident called "Di-olatry" has not perhaps been carried too far, and say the earl has not considered the broader implications of his grand scheme.

On the other side of the

estate, residents are already massing in opposition to the earl's efforts to sell off a chunk of land so developers can build what is derisively called Diana-ville. Current plans include housing for 6,000 people, schools, an industrial park, megastores and a bus station.

■ Adultery Suit Settled

The South African Press Association said Tuesday that Lord Spencer and the angry husband of his past lover had settled rival lawsuits, the Associated Press reported from Cape Town. The parties did not disclose details.

Don Collopy, a businessman, agreed to settle out of court with Earl Spencer to compensate for the breakdown of his marriage, said Mr. Collopy's lawyer, Andy McPherson.

Francis Harry Hinsley, 79, a British historian and authority on wartime intelligence and naval warfare, died Feb. 16 in Cambridge, England. He was an undergraduate at St. John's College, Cambridge, in 1939 when he was recruited by the Foreign Office for its code-breaking headquarters at Bletchley Park. Later he became the official historian of British intelligence. He was a professor, lecturer and research fellow at St. John's until his retirement in 1989.

Mr. Wetzstein began at The Village Voice in 1966 and held numerous jobs at the

Jose Maria de Areilza, Spanish Diplomat, Dies

New York Times Service

MADRID — Jose Maria de Areilza y Martinez de Roldas, 88, who was Francisco Franco's ambassador to the United States in the 1950s but later soured on the government and, after the dictator's death in 1975, served briefly as foreign minister, died here.

As foreign minister from December 1975 to June 1976, Mr. de Areilza toured foreign capitals to explain that a shift to democracy was afoot in Spain. But in July 1976, King Juan Carlos I announced the selection of a young reformer, Adolfo Suarez, as prime minister, bypassing the more ex-

perienced diplomat, whom many considered the likely choice.

Born in Portugal to a wealthy family, he took a law degree in 1932 at the University of Salamanca and ran unsuccessfully for Parliament in 1932 and 1936 on a platform seeking to restore the exiled King Alfonso XIII.

When the civil war began in 1936, Mr. de Areilza fought for Franco, and in 1937 was appointed mayor of Bilbao. He was ambassador to Argentina from 1947 to 1950, to the United States from 1954 to 1960, and to France from 1960 to 1964.

But in the mid-1960s he

openly criticized the government, arguing that the surest method to restore democracy in Spain was to bring back the monarchy. In 1966 he became the principal aide to Juan de Borbon, the exiled son of Spain's last king. But that association ceased in 1969 when Franco designated Juan de Borbon's son, Prince Juan Carlos, as his successor as head of state.

In the late 1970s, Mr. de Areilza helped found two conservative political parties, and he was elected to Parliament in 1979. In 1981, he was elected president of the parliamentary assembly of the Council of Europe, a

largely ceremonial post. He was elected in 1987 to a chair at the Spanish Royal Academy.

Ross Wetzstein, 65, Village Voice Editor

NEW YORK (NYT) — Ross Wetzstein, 65, a long-time editor at The Village Voice who helped create the Obie awards for off-Broadway theater and was for 28 years the chairman and host of the annual event, died Friday after heart surgery.

Mr. Wetzstein was among the most prominent figures in the off-Broadway world. As a writer and editor, he called attention to the work of many fledgling theater companies, as well as playwrights, including Sam Shepard, David Mamet and Wallace Shawn.

Mr. Wetzstein began at The Village Voice in 1966 and held numerous jobs at the

UN Report Assails Pop Culture as Making Drugs Seem Alluring

Agence France-Presse

VIENNA — The United Nations' anti-narcotics organization said Tuesday that pop stars and popular culture were threatening young people by glamorizing the use of illegal drugs.

In its annual report on global drug abuse, the organization, the International Narcotics Control Board, also criticized a decision to award a gold medal at the Winter Olympics to a Canadian snowboarder who tested positive for marijuana.

The board's chief, Hamid Ghodse, complained at a news conference to introduce the report about how drug use was portrayed in popular culture.

"The fashion industry coined the term 'heroin chic,' and certain pop stars have made statements to the effect that the recreational use of drugs is a normal and acceptable part of a person's lifestyle," Mr. Ghodse said.

While declining to identify specific stars, he referred to a band leader who made positive comments about the manufactured drug ecstasy, and to "a middle-aged member of a rock band who said many of their greatest hits were inspired by cannabis."

Paul McCartney said last month that marijuana was the creative force behind the Beatles' album "Sergeant Pepper's Lonely Hearts Club Band."

Mr. Ghodse urged governments "to abide by their legal and moral obligation and to counteract the pro-drug messages of the youth culture to which young people are increasingly exposed."

The 75-page annual report lists drug problems worldwide, and makes recommendations on strategies for fighting abuse around the world.

Mr. Ghodse said the decision not to strip the Olympic snowboarder, Ross Rebagliati, of his medal would serve only to make marijuana more attractive to young people.

"The decision signifies that the use of cannabis is acceptable and normal even for a gold medalist and that is sad," said Mr. Ghodse.

The snowboarder was allowed to keep his medal after he argued before the

INTERNATIONAL

Mossad Chief Quits Over Failed Attack in Jordan

By Serge Schmemann
New York Times Service

YERUSALEM — The head of the Mossad, Israel's vaunted intelligence agency, resigned Tuesday, apparently under heavy pressure from within the agency to accept responsibility for the bungled attack on a Hamas official in Jordan last autumn.

Danny Yatom, a former army general who took charge of the Mossad in 1996, remained adamant in his resignation letter that he had been unfairly criticized by a government commission of inquiry.

The three-man panel concluded last week that Mr. Yatom had "agreed in his handling of the operation and in approval of the plan" to assassinate Khaled Meshal, the political head of the militant Islamic organization Hamas. One commission member recommended that Mr. Yatom be dismissed.

An unidentified Mossad division head, who was also criticized in the report, resigned before it was completed.

"I do not accept the findings of the Ciechanover Commission report regarding faults in my performance, which were determined despite clear evidence to the contrary which I presented to the commission's members," Mr. Yatom wrote to Prime Minister Benjamin Netanyahu. "At the same time, I have no intention of ignoring the report, and, as the one who bears overall responsibility for the Mossad's activity, I have decided to tender my resignation to you."

The resignation dealt another blow to the prestige of the Mossad, whose exploits in past decades against terrorists earned it an aura of fearsome effectiveness. The internal intelligence agency, Shin Bet, suffered a setback to its image after its agents failed to prevent the assassination of Prime Minister Yitzhak Rabin in November 1995. The director of that agency resigned two months later.

Mr. Yatom's resignation followed reports in the Israeli press of growing resentment within the Mossad over his refusal to step down after the report came out last week. The newspaper *Yedioth Achronot* reported that a Mossad department head identified only as "R" had resigned in protest, circulating a letter to all other department chiefs accusing Mr. Yatom of unspecified infractions, "the likes of which we've never seen in the Mossad."

Yedioth Achronot also reported that the deputy head of the Mossad, "A," was refusing to work with Mr. Yatom and had threatened to quit within 10 days. The paper said other Mossad officials were considering an appeal to Mr. Netanyahu to fire Mr. Yatom.



Danny Yatom, left, in 1997 as Internal Security Minister Avigdor Kahalani made a point about the Meshal plot.

Sources close to Mr. Yatom countered that "R" was angry because he had been passed over for promotion and that other officials opposed Mr. Yatom because of organizational changes he was trying to make.

Mr. Yatom's resignation was also demanded by King Hussein of Jordan, who was furious when Mossad agents tried to kill Mr. Meshal in the Jordanian capital of Amman last Sept. 25 by injecting him with a slow-acting poison.

Some of the Israelis were captured by Jordan, and the king compelled Israel to supply him with an antidote and then to release the spiritual leader of Hamas, Sheikh Ahmed Yassin, in exchange for the Mossad hit men.

After the publication of the Ciechanover Commission report, King Hussein reportedly said he would not resume Jordan's once-close cooperation with Israeli intelligence services so long as

Mr. Yatom remained in office. Mr. Netanyahu, who was fully cleared by the commission of any responsibility for the fiasco, said last week that he would "think very closely" before deciding whether to take action against Mr. Yatom or any other officer.

Mr. Netanyahu gave no indication as to whether he had concluded after reading the full report, of which only a few pages were made public, that Mr. Yatom should step down. A statement issued by the prime minister's office said Mr. Netanyahu had accepted the resignation "with regret" and had praised Mr. Yatom for "personal integrity, self-sacrifice and deep commitment to the country's security."

A 33-year veteran of the army who rose to the rank of major general, Mr. Yatom, 52, served as a military advisor to Mr. Rabin and his successor as prime minister, Shimon Peres. He was ap-

pointed head of the Mossad under Mr. Peres, and took up his duties in June 1996, the same time that Mr. Netanyahu became prime minister.

Army radio said speculation on Mr. Yatom's successor centered on three officials. First among them was Efraim Halevy, ambassador to the European Union and a former deputy head of the agency. Mr. Halevy was known to have been close to King Hussein in earlier years, and the thought was that his appointment would help restore Israel's intelligence links with Jordan.

Other potential candidates were Ilan Ramon, director-general of the Ministry of Defense and a retired general who is highly regarded by Mr. Netanyahu, and Yitzhak Hofi, a former chief of the Mossad. The deputy head, "A," a woman, was regarded as a long shot, evidently because she did not hold many operational posts.

IRA Man Sentenced In Heathrow Attack

Agence France-Presse

LONDON — An IRA soldier who was said to have provided a vital backup role for a mortar attack on Heathrow International Airport outside London was sentenced Tuesday to 20 years in prison.

Michael Gallagher, 55, was found to have been part of an Irish Republican Army team that fired three salvos of missiles packed with Semtex explosives at the world's busiest international airport in March 1994.

None of the missiles exploded.

Mr. Gallagher was arrested on charges he rented a garage where the explosives were stored before the attacks.

GERMANY: Social Democrat Fires Up Campaign Against Kohl

Continued from Page 1

mine the adversary he will face in September — did not trouble him. On the contrary, Mr. Schroeder said, Mr. Kohl could wind up serving his interests.

"When the time comes for Social Democrats to decide who has the best chance of defeating him, they only have to ask who worries Mr. Kohl the most," he said.

A more difficult challenge Mr. Schroeder faces is persuading fellow Social Democrats that he will not abandon their core beliefs.

He says he wants to preserve many of the welfare programs that have raised standards of social equality and public assistance to unparalleled heights in Germany — but not at the cost of ruining the nation's ability to compete in the new age of global markets. High salaries and income taxes give Germany some of the world's highest labor costs,

averaging nearly \$32 an hour.

As an active proponent of high-technology investments and a former board member of Volkswagen AG, which is one of the largest employers in his state, Mr. Schroeder says he understands the challenges faced by German businesses in coping with the global economy. And as one of five children raised by a war widow who eked out a living as a cleaning lady, he claims an empathy with workers that he says cannot be matched by Mr. Kohl or many other politicians.

"We can learn a lot from the United States, which created so many new jobs in the past few years, but we could never tolerate its social and economic inequalities," Mr. Schroeder said. "There must be a way to combine human sympathy with economic success, and that is what I want to stand behind the 'Made in Germany' label."

BRIEFLY
Algerian Troops Kill 42 Muslim Rebels

PARIS — Algerian troops shot and killed 42 Muslim rebels in military operations in western Algeria, while the death toll from a bomb attack on a train rose to 22, Algerian newspapers said Tuesday.

Suspected Muslim guerrillas also killed five villagers south of the capital, Algiers, the newspapers said.

Government soldiers shot the Muslim rebels in Tlemcen Province, 440 kilometers (275 miles) west of Algiers, a daily, *L'Authentique*, said.

The military has been carrying out similar operations across Algeria following the massacres of more than 1,200 civilians between late December and January. Algerian newspapers have said that more than 250 rebels have now been killed in these operations.

Rebels have been hitting back, ambushing soldiers and carrying out bomb attacks. According to Algerian newspapers, at least 47 soldiers were killed in two ambushes in northeastern Algeria on Thursday and Friday.

In another development, Le Nouvel Observateur reported Tuesday that the toll from the bombing of a passenger train Monday had risen to 22 dead and 30 wounded. El Watan said 21 people were dead and 52 wounded. (Reuters)

U.S. Must Act First, Iran Official Says

TEHRAN — Foreign Minister Kamal Kharazi said Tuesday that he was encouraged by recent statements on Iran by President Bill Clinton but that Washington had to act first to show it wanted ties with the Islamic republic.

"I hear some good words from the American side," Mr. Kharazi said on the sidelines of a foreign policy seminar in Tehran. But, he added, "words are not enough."

Mr. Kharazi declined to say which specific actions Washington had to carry out to show its good intentions.

Mr. Clinton said last month that he hoped the two countries would soon be able to enjoy "good relations" once

again and that although real policy differences remained between them, these were "not insurmountable."

Tehran has insisted that Washington demonstrate its goodwill toward Iran by meeting grievances such as releasing Iranian assets frozen in the United States immediately after the Islamic revolution of 1979. (Reuters)

Haiti Carnival Float Leaves 6 Dead

PORT-AU-PRINCE, Haiti — A runaway float barrelled into a Haitian carnival crowd early Tuesday, killing 6 people and injuring 39, hospital officials said.

The driver of the float, which carried the popular music group RAM and dozens of fans, apparently lost control toward the end of the carnival procession on Port-au-Prince's downtown Champ de Mars square.

It was the second day of the three-day carnival, with dozens of musical groups on floats leading hundreds of thousands of dancing and singing revelers.

More than 1,500 police officers ensured security. (AP)

Plea for Puerto Rico To Vote on Statehood

WASHINGTON — President Bill Clinton has made a plea for giving Puerto Rico the right to vote on whether it wants to become America's 51st state.

In a speech to Democratic governors Monday night, Mr. Clinton urged Congress to pass legislation that would give Puerto Ricans a chance to vote for independence, statehood or the status quo.

This year is Puerto Rico's centennial as a U.S.-dependent territory. Puerto Rico's last referendum on statehood was in 1967.

"I think it is time that we responded to the aspirations of the 4 million U.S. citizens who live there and allow them to determine their ultimate political status," Mr. Clinton said.

The House of Representatives may vote in March on a bill that would let Puerto Ricans vote on their future. (Reuters)



2 FLAPJACKS TO GO — Marking a Shrove Tuesday tradition at Ripon Cathedral in England, the Reverend John Methuen, right, and a verger, Ken Benson, raced each other while they flipped pancakes.

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A Deal Just in Time

Better Than Expected

Refraining from military action sometimes requires greater courage from a president than using force, as Lyndon Johnson learned too late in Vietnam. President Bill Clinton wisely decided on Monday to hold his fire against Iraq, tentatively endorsing the agreement reached during the weekend between Saddam Hussein and Kofi Annan, the secretary-general of the United Nations. If the Iraqi honors his newly minted commitments, the threat of military conflict should recede further in the days ahead.

The agreement, although all its details have yet to be disclosed, sounds stronger than initially described. It gives UN weapons inspectors unrestricted access to any site in Iraq that they suspect may contain weapons of mass destruction or the means to make them. That includes but is not limited to eight presidential sites that have been closed to inspectors, as well as dozens of other locations that Iraq has shielded in recent months.

If this agreement is honored, it will for the first time make comprehensive inspections possible in Iraq. Sending diplomats with the inspection teams when they visit presidential

—THE NEW YORK TIMES.

But Not a Solution

By one test, averting American air strikes, the agreement negotiated by UN Secretary-General Kofi Annan is at least a temporary success. But by the test that counts most, ending Saddam Hussein's special-weapons threat, the agreement remains dubious and unproven, notwithstanding President Bill Clinton's provisional acceptance of it on Monday.

Saddam Hussein evidently is promising to honor an arms inspection agreement that he made in 1991 and toyed with and broke in 1997, and that he renewed last November and broke again in January. He is not offering to yield up suspect facilities and weapons but to let others try to penetrate the secrecy he has wrapped them in.

It was always difficult to imagine that he would yield up weapons he regards as his ultimate strategic card. The inspectors, with or without the diplomatic escorts now to be furnished ostensibly to save Iraqi pride, can only open doors and files they think may be concealing something. Mr. Clinton reports that unspecified clarifications and details remain to be elaborated. This is urgent in order to allay suspicions of questionable concessions.

Mr. Clinton rightly claimed that his own military preparation enabled the UN diplomacy, backed by France and

—THE WASHINGTON POST.

Remembering Reagan

As president, Ronald Reagan projected optimism, conviction and nostalgia for a simpler time in America. Now retired and afflicted, he is poignantly beckoning Americans once again to recall a moment when presidential leadership itself seemed more simple and open than it is today. The president who stood for irreducible verities like opposing communism and unleashing "the magic of the marketplace," as he himself consciously put it, has been vividly captured by the two-part documentary broadcast on PBS Monday night and Tuesday night. No less impressive is the program's acknowledgment that the man in the middle remains an enigma.

The program is only the latest of several recent displays of affection for Mr. Reagan. As his 87th birthday approached, normally fractious Republicans in Congress united to name an airport after him in the capital city he reviled. Cover stories in Forbes and The Weekly Standard asserted that the current economic boom should be ascribed to a presidency that ended nine years ago. Almost everyone seems to believe that he will be known as the leader who vanquished the "Evil Empire," a phrase that shocked the mainstream when he uttered it.

Several moments in the PBS program are startling. There is the discovery by Edmund Morris, whose long-awaited biography of Mr. Reagan is due later this year, that the president's capabilities slipped steadily from the time he was shot in March 1981, for instance. But most striking is the essential loneliness and intellectual shyness of a man who had few if any intimate friendships beyond that with his wife, and was blissfully unquestioning about himself and his beliefs.

"You're not going to figure him out," declares Ron Reagan Jr. "That's the first thing you need to know. I don't think he's figured himself out."

That may be beside the point. Ronald Reagan figured out a few big, simple truths about the country, which is why Americans remember him fondly today.

—THE WASHINGTON POST.

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Another Short-Term Arrangement With Saddam

By Thomas L. Friedman

WASHINGTON — Another deal with Saddam Hussein? Hmmm. Why does it leave me feeling uneasy, as if I had just agreed that Ted Kaczynski could be my mailman, because he has promised, this time, for sure, no more letter bombs? You just know that sooner or later something is gonna go boom.

Still, Bill Clinton is right to test whether this deal can meet three basic conditions. First, it really must provide free and unfettered access for UN weapons inspectors everywhere in Iraq.

Second, the accord should be codified as a Security Council resolution so that there is no ambiguity about it in the future.

Third, the United States has to make clear to Iraq and U.S. allies that if there is any violation, America will use force, without negotiation, hesitation or UN approval.

But even if we get such a deal, have no illusions — it's not a solution. It is another short-term arrangement for coping with Saddam. We have not heard the last of him.

What about the long term? Before we look at that, let's note an important lesson from this last round: Saddam blinked. He backed down to Kofi Annan because he became convinced that

despite all the contradictions in U.S. policy, despite all the protesters at Ohio State and despite all the whining of U.S. allies, President Clinton was ready to use massive force against him.

He had defined Iraq's behavior as a clear national threat. Not everyone in America understood that, but Saddam did, and did not want to get hit.

Because he is a dictator, there is a tendency to assume that he has no domestic politics to worry about. U.S. networks contribute to this view by interviewing all these Iraqis in Baghdad who say they would happily sacrifice their sons for Saddam. Nonsense. None of these people are free to speak their minds. (The networks should remind their viewers of that occasionally.)

Saddam has real domestic politics. He cannot just expose his army to another savage bombing from the United States, he does not want to lose his palaces built at great expense, and he cannot just take one punch after another without exposing himself to even greater risk from his own military.

Watch those film clips of Saddam meeting with his generals. Why do you

think he is the only one in the room with a gun in his belt?

But while the threat of force may have worked for now, we also have to cite another lesson: Had Saddam not blinked and had the United States blazed him, the United States would have been virtually alone. The world was not with us. I regret that, but it is a fact.

So what to do for the long run? The administration needs to decide: Does it want to resolve the contradictions between the United States and its allies, or go it alone and live with the contradictions of its own policy?

America's contradiction with its allies is summarized by the Middle East expert Stephen Cohen: "For the French, the Russians and the Arabs, there are no conditions under which they really believe it is O.K. to use violence against Saddam, and for the United States there are no conditions under which it believes sanctions on Saddam should ever be lifted."

That is, the allies simply do not believe that you can bomb Saddam because of any "potential" threat posed by his weapons, but only if there is an actual threat or usage. And the United States believes that, given Saddam's evil character, there is no way

sanctions should ever be lifted, even if he complies with the UN inspections.

One option, therefore, is to strike a deal with the allies. Russia, France and the Security Council would formally agree that if Saddam violates the Amman accord, the United States can bomb him. And the United States would agree that if the United Nations ever certifies Iraq as bomb-free, the United States will lift the sanctions (but there would still have to be ongoing inspections).

The other option is for the United States to live with the contradictions of its own policy. U.S. policy is that Saddam is Hitler, but the United States will not go after him personally, but it will bomb Iraq, knowing that this will only deter Saddam temporarily, while alienating the rest of the world. As a policy, it is not pretty.

But neither is the Middle East. That is why it is worth trying to sort out the contradictions with the allies.

But if it cannot be done, Americans to be ready to live with its own contradictory policy. Sure, it doesn't make perfect sense. But maybe it was the sheer bullheaded craziness of it that intimidated Saddam. After all, in his neighborhood, crazy buys a lot.

The New York Times

Annan Has Given Washington Time to Build a Better Case

By E. J. Dionne Jr.

WASHINGTON — UN Secretary-General Kofi Annan did a great favor to the United States and to the Clinton administration by brokered a deal that appears to allow weapons inspections in Iraq to go forward unfettered.

Bill Clinton can fairly claim the deal as a victory for diplomacy "backed by strength and resolve," as he put it on Monday. And postponing war gives him a chance to do what he has failed to accomplish so far — to build confidence in his policy at home and rebuild the international coalition that the United States needs to assemble if it is to act successfully against Saddam Hussein.

The need for a more compelling case was underscored by the raucous reception given defenders of the administration's policy at Ohio State University last week.

The only thing shocking about Ohio State was how shocked and dismayed so

many people were that the event turned out as it did. The notion that 6,000 Americans would gather to discuss an immensely controversial question and act like sheep is both insulting and absurd in light of history. In the United States, every war breeds an anti-war movement. The administration's own foreign policy doctrine tells us that.

The president's former national security adviser, Anthony Lake, gave some thoughtful speeches a few years back declaring that the U.S. government should make supporting democracy around the world a cornerstone of foreign policy. That is not only morally right but also practical, because democracies are usually reluctant to go to war.

Town meetings are not campaign rallies or media events. They are deliberative bodies where people express their views and argue about them, often fiercely.

But it is easy to get the wrong idea about what happened at Ohio State. If you watched all 90 minutes, you noticed, first, that the loud anti-war demonstrators were a minority of the crowd. Whenever moderates Judy Woodruff or Bernard Shaw asked the demonstrators to let the visitors speak, most of the crowd responded approvingly.

Second, judging from the questions asked and the applause they received, the chief question was whether war would succeed in toppling Saddam. A veteran who lost a son in Vietnam asked, "Are we willing to send the troops in and finish the job?"

An analogue to the sentiments heard at Ohio State was a slogan often shouted during the Vietnam years: "Win or get out." In Iraq, winning is

now popularly defined as getting rid of Saddam.

This sentiment goes back to the Bush administration's approach to settling the original Gulf War. When settling it as a war for jobs or oil failed, it was sold as a war against Saddam himself and the dangers he posed. This was entirely honest. Saddam was, and remains, a genuine threat.

But the intense Saddam focus created a problem, as Democratic pollster Geoffrey Garkin saw before the Gulf War. "The situation has come to be so focused on Saddam that anything that leaves him in power will be unsatisfying to the public," he said in February 1991. That legacy is still with us.

One other thing missed about Ohio State: In the midst of the shouting, Madeleine Albright, William Cohen and Samuel Berger made a good case for what the administration wants to do.

Mr. Cohen rightly noted "the

difference between what is desirable and what is practical," meaning that it is hard to find a policy guaranteed to drive Saddam from power. Yet if the United States does nothing, Saddam and rogues like him will know that they can ignore the international community and threaten the world at will.

Now, thanks to Kofi Annan, the administration gets a second chance to do things right.

It is obvious that Americans don't like wars, and they especially don't like wars with limited aims. All the stage management in the world, at Ohio State or elsewhere, will not change that.

But it is possible to persuade people here and around the world that a long struggle with Saddam Hussein is worth the cost, and that this struggle requires both toughness and patience. The administration should be grateful for the American reprieve, and go to work.

Washington Post Writers Group

Paying for the Asia Bailout With Costly Trade Deficits

By Stephen S. Roach

NEW YORK — Geopolitical shocks always seem to bring out the failings of forecasters. That was certainly the lesson of the OPEC disruptions of the 1970s and again in the Gulf War of 1991. Both times, economists failed to understand the lethal interplay between fear and reality.

Much the same has happened in Asia. Steeped in the saga of seemingly open-ended Asian growth miracles, few experts anticipated the currency and banking crisis that began dawning there last year.

Now the experts could be making another error. Many economists and Washington policymakers predict that the Asian crisis will spill over immediately into the American economy in the form of weaker growth and higher unemployment. Yet the true threat could be very different.

Finally six months into the turmoil in Asia, employment and growth in real GDP remain

strong in the United States and should stay so through most of 1998. But the real cost of the Asian crisis could come in the form of substantial trade imbalances that could take a severe toll on the dollar and interest rates.

First, let's establish what the Asian crisis is not. Contrary to widespread belief, it does not represent a major deflationary threat to the global economy.

Nevertheless, those windfalls are temporary, and world financial markets will not be let off the hook.

Asia must increasingly rely on reduced imports and stronger exports if it is to resume economic growth. That will result in big changes in the region's trade balance. As Asia's exports rise and its imports decline, its overall balance of payments could improve by at least \$100 billion by 1999.

Such shifts do not occur in a vacuum. In simple terms, one nation's surplus is another's deficit. And that brings the United States into the equation

as the most likely candidate to absorb the bulk of Asia's trade adjustments.

Why should the United States feel this fear? For starters, it is the world's richest and deepest market; any acceleration of Asian exports can't help but find its way into the American economy.

But there is another, more ominous reason. As a nation that does not save very much, the United States has become increasingly dependent on foreign capital, particularly overseas purchases of Treasury securities, to finance domestic growth. And that foreign capital is part of the self-perpetuating cycle that governs America's balance-of-payments deficit with the rest of the world.

When the American consumer buys, say, a Japanese car, that sends dollars overseas. Those dollars then get "recycled" back into American financial markets — stocks and bonds alike — might then correct. And the events halfway around the world would suddenly show up in the form of reduced wealth for the average American investor.

That is when the Asian crisis might finally hit home in America. The ever exuberant financial markets — stocks and bonds alike — might then correct. And the events halfway around the world would suddenly show up in the form of reduced wealth for the average American investor.

Painful as it is, this outcome should not be that surprising. The cost of the bailout of Asia has to be paid by someone.

The writer is chief economist and director of global economics for the securities firm Morgan Stanley Dean Witter. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: War Scare Is On

NEW YORK — When the cry of "fire" causes a stampede in an overcrowded building, even when there is no fire, weak persons are sure to be hurt. Something like this is going on in Wall Street. The cry of "War! War!" is shrieked into the ears of the public until an unreasoning liquidation is in progress. Vague doubt is worse than definite danger. Nothing is known about the sinking of the Maine, but the public has got the scare on and there is no telling where it will stop.

Japan may be guilty of many sins in its economic policies, but this time lack of decisiveness was not one of them.

The writer, a Japanese special and former Australian diplomat, contributed this comment to the International Herald Tribune.

the ballroom. The careless freedom of the bobbed hair is over, and superlative art is required to achieve the sleek effect that is at present in vogue. This coiffure calls for a certain type of ornament, and the most favored seems to be the band of metallic tissue in fantastic designs, suggesting the illusion of a crown.

1948: Czechs Go Red

PRAH — The Communists impatiently brushed aside negotiations tonight [Feb. 24] and virtually took control of Czechoslovakia. With tens of thousands of Communists demonstrating swearing allegiance to Communist Prime Minister Klement Gottwald and the Soviet Union, Czechoslovakia appeared to have gone the way of eastern Europe. Today's events completed the Communists' penultimate act in their grasp for control. They need now only to install their own cabinet.

BEST SELLER

INTERNATIONAL

For Clinton, a Decision With Little Choice

By R.W. Apple Jr.
New York Times Service

WASHINGTON — President Bill Clinton had no real choice.

Unwilling from the start of the latest confrontation between Washington and Baghdad to contemplate a military or a military and political campaign to drive Saddam Hussein from power, the president cast the crisis as a test of wills not between the United States and Mr. Saddam, but between the United Nations and Mr. Saddam.

The overriding issue, Mr. Clinton declared last week, was whether the Iraqi president would "allow the UN inspectors to complete their mission with full and free access to any site they suspect may be hiding materials

or information related to Iraqi weapons of mass destruction programs."

Now, presented with an agreement bearing the imprimatur of Kofi Annan, the secretary-general of the United Nations, Mr. Clinton could

NEWS ANALYSIS

hardly turn his back upon it and send the bombers in.

So he bought the deal Monday, even as he spoke of "details" that still have to be worked out and stressed what he called "a big if" — the question of whether Mr. Saddam would keep his word. He would keep U.S. forces at a high level of preparedness, the president said, and use them if necessary.

A Pentagon Dilemma:
Sustaining Gulf BuildupBy Bradley Graham
Washington Post Service

WASHINGTON — Even as the prospect diminished that the United States would unleash airstrikes against Iraq, the Pentagon was confronting another problem: how to sustain its expensive buildup in the Gulf region without placing a severe strain on U.S. security commitments elsewhere in the world.

President Bill Clinton said he had ordered U.S. forces to stay at "high levels of preparation" in the Gulf until Iraq adequately demonstrates its commitment to unrestricted inspections of suspected weapons sites. Pentagon officials said all of the additional equipment and manpower rushed to the region in the last four months would remain in place.

"Right now, we're just going to leave the force the way it is," a senior official said. "We'll stay at two aircraft carriers and retain all the land-based aircraft, too."

The U.S. military presence in the Gulf has grown to more than 300 combat aircraft, 30 ships and about 35,000 sailors, soldiers, Marines and airmen.

The buildup has occurred against the backdrop of substantial Pentagon troop cuts in recent years and the commitment to noncombat missions in such places as Bosnia-Herzegovina that have taxed U.S. forces.

It has also already created gaps resulting from absent aircraft carriers and other military assets in two critical theaters — the western Pacific and the Mediterranean — and promises to add hundreds of millions of dollars to defense operating costs. While senior military officers said the strains are not critical, they warned that keeping the Gulf force at its current size through the year would significantly disrupt military operations elsewhere.

The possible vulnerability of U.S. defenses worldwide were mentioned by General John Tellelli, commander of U.S. forces on the Korean Peninsula, in a confidential memo to the Pentagon this month. The diversion of an aircraft carrier and several ammunition supply ships from South Korea to the Middle East, he wrote, had weakened the ability of his troops to repel a surprise North Korean attack.

General Tellelli also said that shortages in Patriot anti-missile batteries, several army missile systems and main gun tank rounds "will severely impact our ability to defend Seoul," according to a copy of the Feb. 18

memo, first reported by the weekly newsletter "Inside the Air Force."

To compensate for the transfer of the aircraft carrier, the Pentagon sent a squadron of F-15 fighter jets and some AC-130 gunships to South Korea, and put some U.S.-based combat aircraft on alert. The general said those measures had "mitigated some of the vulnerabilities" created by the Gulf deployments.

He also acknowledged that the chances were small that North Korea would attack in the foreseeable future.

A senior U.S. commander in Europe voiced similar concern about the absence in the Mediterranean of an aircraft carrier and a Marine amphibious group, both of which were shifted to the Gulf. "It's a risk," the commander said. He called the risk "acceptable" for now, but made clear he had initially expected the gap to last only "five or six weeks."

The buildup in the Gulf had been scheduled to peak this week, amounting to several-fold increases in the numbers of combat aircraft and ground troops normally in the area.

Since the autumn, when tensions started rising over Iraq's refusal to allow unrestricted access to United Nations weapons inspectors, the navy has increased the number of sailors in the region from about 2,300 to 20,000. And it has gone from having an occasional carrier cruise the Gulf to maintaining a round-the-clock presence of two carriers.

The number of air force personnel also has jumped, from about 6,000 to more than 8,000. To augment the 100 or so aircraft usually based in Saudi Arabia for patrols over southern Iraq, the air force sent two dozen F-15 and F-16 fighter jets to Bahrain.

It has authorized the dispatch of 12 F-117 stealth fighter jets to Kuwait, three B-1 bombers to Bahrain and 14 B-52 bombers to the island of Diego Garcia. It also has diverted dozens of support aircraft to the region for refueling, surveillance, electronic jamming and search-and-rescue missions.

The army has bolstered its strength in Kuwait from about 1,500 troops to more than 7,000. And the Marines have sent an amphibious force of 2,000 aboard four ships.

A high-ranking military officer said that all these moves have cost more than \$500 million so far, nearly double what the Pentagon had budgeted for this year's air patrols over Iraq to enforce agreements that ended the Gulf War in 1991.

On the international front, Mr. Clinton may find himself faced with another challenge. If Mr. Saddam has succeeded in hiding the materials needed to make weapons of mass destruction — and experts warn that they are easily concealed — the inspectors may find little or nothing. And if that happens, French and Russian diplomats are likely to press at the United Nations and elsewhere for the lifting of economic sanctions against Iraq.

In the short term, Mr. Clinton has avoided a risky military involvement that could have proved costly in the coin of diplomacy as well as domestic politics. In the longer term, it is not clear that he has permanently averted military action. Nor is it clear that Iraq will soon be even reasonably free of weapons of mass destruction.

The details, officials said, could prove highly troublesome, particularly a provision that diplomats would accompany the inspectors to some sites.

"Who's going to choose the diplomats?" a senior State Department official asked. "Precisely what will their function be? Will they be able to influence how the inspectors go about their job, and where? This is a concession to Saddam, and he may find a way to make mischief with it."

Once again, the Iraqi leader has retreated, but he has bought time to move war matériel and perhaps to hide it more effectively. And few in Washington believe that the last chapter of the story has been written.

Although Mr. Saddam has promised for the first time since the Gulf War in 1991 to permit full access to all suspected sites, there is no assurance that he will ultimately permit it, any more than he did then.

Unless he has undergone a conversion almost as dramatic as Saul's to the road to Damascus, he will try to preserve his arsenal. He may revert to his long-established pattern of stalling, obstructing and redefining terms. But on the other hand, he may adopt new tactics in pursuit of an old strategy.

"He clearly hasn't undergone a conversion," said Richard Haas of the Brookings Institution, who dealt with the Middle East on the National Security Council of President George Bush. "He will almost certainly continue to try to cheat and keep his weapons. But this time he may not try to obstruct the weapons inspectors. He may not be able to, and he may not have to.

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BUSINESS TO e-BUSINESS: TELECOMMUNICATIONS

THE INTERNET CAUSES A SHIFT IN MIND SET FOR CARRIERS

The Internet offers telcos business opportunities beyond providing the pipes.

The business that is transforming the telecommunications and media industries, Europe, Middle East and Africa (EMEA), points to a change in the PTOs' attitude. The telcos have become business-minded. They have learned that it is possible to be partners in the morning and rivals in the afternoon.

Globalization is another factor hastening the pace of change in telecommunications. To create a global network, international alliances are needed to offer customers

(Integrated Services Digital Network) are other technologies with long-term impact because of the speed and capabilities they add to communications networks.

The telcos have become business-minded. They have learned that it is possible to be partners in the morning and rivals in the afternoon

Netheads and Bellheads. But the impact of the Internet is qualitatively different. "The Internet may be about to challenge the very foundations of the telecommunications industry, both economic and technical," states the International Telecommunication Union (ITU) in its 1997 report, "Challenges to the Network: Telecoms and the Internet."

Other technologies developed from within the telco club, the Internet juggernaut crashed into it from the outside. At first, when the ITU

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Unlike many other technologies that have contributed to the telecommunications revolution, the Internet juggernaut crashed into the business of traditional carriers from the outside. While the role of the big carriers was previously seen as mainly providing infrastructure, now telcos are embracing the Internet as a revenue opportunity.

adding Internet-based services for corporations

and individuals to their business.



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core business. But there are exceptions, such as print and electronic yellow-and-white-page directories.

Some PTOs may feel comfortable with something akin to their historic role, providing transportation through their pipes. Mr. Matthews argues that their success will come from "being the most efficient, low-cost provider of pipes."

"But it's hard to make money this way," says Mr. Duponchel.

At the delivery end, branding becomes important to both businesses and consumers. Mr. Cooperstein of Forrester argues that branding and sales and advertising are not needed for pipes. But some PTOs that are competing as ISPs would disagree, and they are working with technology partners to provide value-added services with marketing appeal.

Shifting landscape
As the telecom landscape shifts with each new seismic event — technological, economic, political — few predictions can be made without a crystal ball. "People are trying to pigeonhole the market, but it is too fluid and moving too fast for that," says Mr. Andrews of Andersen Consulting.

Both businesses and consumers can expect smaller telecommunications bills, says Ms. Roussel of Gartner.

Mr. Matthews says that corporations have already benefited from lower prices. "Choices about telecoms will be more complicated with more decision-making involved, especially for businesses," he adds.

Therefore, says IBM's Mr. Duponchel, "We propose solutions for all eventualities. Our business is not to develop telco strategy but to offer solutions and help our partners implement the ones best suited to their strategy."

The Bellheads and the Netheads will, of necessity, learn to coexist in a future "founded on the public telecommunications' network," says the ITU.

It summarizes: "Perhaps the great strength of the Internet as we see it today is that no one planned quite how it ought to look. The very fact that no one could control its evolution, even if they wanted to, is the best safeguard we have as to its future evolution."

INTERNATIONAL CALLS AT LOCAL PRICES

Transcontinental telephone calls for only a few U.S. cents? What might have been a user's pipe dream is becoming reality — and a possible nightmare for national carriers.

With Internet telephony, long-distance phone calls are routed digitally through the Internet at roughly the cost of a local phone call. This alters dramatically the current accounting-rate structure of international phone calls, which do not reflect actual costs.

Michel Duponchel, IBM's director of solutions for the telecommunications and media industries, Europe, Middle East and Africa, says that Internet telephony "will happen, and it will affect telco cost structures."

For now, telephone conversations through the Internet are

not generally of acceptable commercial quality. Information packets are not necessarily transmitted in real time or sequentially, so words and sentences can be lost, making "normal" conversation difficult. A variety of solutions are currently under development.

In the interim, Internet telephony can be done computer-to-computer today, provided both parties have the right equipment and software and are on-line simultaneously. The International Telecommunication Union (ITU) estimates that this market has "probably less than 10 million potential users, though it is growing."

The next step is Internet computer-to-telephone or computer-to-fax connections; although senders are limited to the same 10 million, the receiver market is 800 million.

Eventually, says the ITU, any telephone or fax will be able to connect to any other over the Internet, an open market of 800 million phone, fax and mobile users.

International Data Corp., a market-research firm, estimates that the Internet telephony market will have 16 million users by the end of 1999, with a market value of around \$560 million. ■

customer service and billing, or e-business platforms are examples of the kind of added-value services that can bring new revenues to telcos.

Last spring, BellSouth announced a partnership with IBM that will give all BellSouth's customers access to Internet service from anywhere in the world.

Helping businesses manage intranets and extranets,

Mr. Duponchel of IBM: "The telcos offer telco quality, meaning, for example, that you get a dial tone immediately when you dial up for access. Garage shops can't guarantee that."

The telcos have a reputation for quality and will build on that, agrees Mr. Matthews of Ovum.

The engineering strength of telecommunications companies is undisputed, but their role in the networked world of the future is less clear. There are five basic roles in the telecommunications value chain — creation (providing content), packaging and storing, transportation, distribution and delivery, and the Internet is blurring all of them.

Most telcos are staying away from content because it is not seen as part of their

FOR MORE INFORMATION ON e-BUSINESS:

Contact IBM by e-mail at kbousquet@fr.ibm.com or by fax at +331 41 88 52 50.

For examples of European e-business initiatives, consult <http://www.europe.ibm.com/nc/customer>.

Look for the "Business to e-Business" series on the IHT Web site at <http://www.iht.com/IHT/SUP/ebiz.html>.

The Web version of "Business to e-Business: Telecommunications" hotlinks the following key words to other relevant Web sites:

- Network computing
- Internet Service Providers
- Electronic yellow pages
- ATM
- ISDN

PLANNING FOR GROWTH IN INTERNET-SERVICE USERS

How can speed and quality of service be improved while adding 45,000 subscribers a month?

A major challenge for Internet Service Providers (ISPs) is planning for growth in a context where six-month-old assumptions already seem antediluvian. The pace of technological change is rapid, as is the rate of Internet growth itself (103 percent per year for the past decade).

Outside of the United States, some of the biggest ISPs are former or continuing state monopolies, the Public Telecommunication Operators (PTOs). Many argue that the PTOs have been slow to respond to the rise of the Internet.

Others have opted to become providers themselves, and the biggest in Europe is Deutsche Telekom. Until the WorldCom-America Online-CompuServe transaction last

autumn, Deutsche Telekom's T-Online Service was the biggest provider of on-line services on the Continent. It currently has 1.9 million subscribers and added 45,000 new subscribers per month last year, 40 percent more than in 1996.

Deutsche Telekom wanted to be able to handle this growth without sacrificing quality of service. It was looking for speed (to improve customer satisfaction), scalability (to meet special needs and growth forecasts) and savings (to justify its investment).

The distributed Internet architecture partly implemented by IBM has achieved all these objectives.

Instead of one platform location, as in the pre-existing

solution, IBM proposed a central site and 13 regional centers for platform servers. According to Mr. Demuth, this configuration, closer to subscribers (who access from 220 dial-in locations across Germany), has resulted in qualitative improvement, both in speed and reliability of connections.

Traffic is up
Customers have reacted favorably by increasing their usage. In December, the number of sessions reached a new high of 52 million. The total number of sessions in 1997 approached half a billion, an increase of 60 percent over the previous year.

T-Online boss Wolfgang Keuntje says the main driving force behind the growth was the new 2.0 version of the T-Online software. "The new network access has achieved a high level of acceptance among our customers. With its high transmission rates, it has generated an explosion in usage time. In the short time since distribution of the new software in July, usage has grown by 40 percent."

Deutsche Telekom chose this type of architecture because of the size and volume of the German market, explains Mr. Demuth. It has advantages for smaller countries like Switzerland or Belgium as well, because of regional language variations, which can be handled by appropriately configured regional centers. ■

LET YOUR KEYBOARD DO THE TALKING

Years ago, "let your fingers do the walking" was a slogan used in the United States to promote the use of the yellow pages.

Today, your fingers on a keyboard can do more in minutes than a researcher could do in hours with a conventional phone directory.

Electronic yellow pages can locate services by search parameters such as geographical area, heading and brand, just as conventional pages can. Electronic yellow pages are faster and more thorough for these basics and also offer advanced searches by key words or by geographical proximity ("what is close to?").

Other value-added options are being developed rapidly. Christian Bardon of IBM's telecommunications and media unit calls attention to a sophisticated directory now in use in Boca Raton, Florida.

Its features include chat rooms, a locator map (to show the user exactly how to find the store or service), video, coupons exclusive to the Internet, and fax or e-mail forms to

send inquiries immediately from user to advertiser.

A market-pleasing directory can be a powerful differentiator between one phone service and another. A second consideration is the number of advertising options that can be sold on the directory. The more options, the more revenue for the operator.

Still another consideration is rate determination. In a printed directory, ad space is sold at a flat rate. But the broadcasting nature of the Web suggested a different approach. Says Mr. Bardon, "We see the ad options as comparable to television, with the rates varying at different times and dates depending on the frequency of viewing."

IBM can incorporate connections to other services, such as news, consumer advice, catalogues, community bulletin boards, weather and horoscopes. These services are available to operators at marginal cost, and they encourage repeat visits and increased consultation.

But many small businesses hesitate to advertise electronically, because of their lack of technological knowledge. IBM's suite of MarketGate products helps both operators and small businesses take practical advantage of electronic yellow pages. MarketGate QuickSite uses a "wizard" that helps the advertiser create a Web-page ad using a WYSIWYG (what-you-see-is-what-you-get) approach. The process takes only a few minutes and requires no special technical or Internet knowledge.

In IBM's third generation of electronic yellow pages, currently being tested in Canada, a hot link to the advertiser will allow the user to call the local merchant. At the click of a mouse, the number will be automatically dialed.

Mr. Bardon is even more enthusiastic about the help icon, which connects the user directly with a live operator. The operator will be able to see exactly what the customer sees on the screen and will help the user in the navigation process.

Analysis also suggested a possible merger between Glaxo and Wellcome. Glaxo's chief executive, Richard and Mr. Leesley, had been through their companies through a hand in their respective companies before Glaxo was bought by Wellcome.

Mark Becker, an analyst at J.P. Morgan Co., and SmithKline had a report suggesting a merger between Glaxo and Wellcome.

Robert Fogarty, Glaxo's chief executive, was in line to succeed Mr. Leesley.

Glaxo may face more urgent pressure to knowledges. The U.S. patent on its drug, alogliptin, will expire in 2002, but a generic alternative will be in the European market this year, said Gilber, an analyst at the London-based Panmure Gordon.

Whatever the reasons, the future of both companies' strategies will be determined by double-digit earnings growth in most regions have become accustomed to.

Given these pressures, management will not be long before merging the agenda.

"I don't believe for a moment that a consolidation process is over. All the

merger discussions will focus on fresh and new both companies' strategies will be determined by double-digit earnings growth in most regions have become accustomed to.

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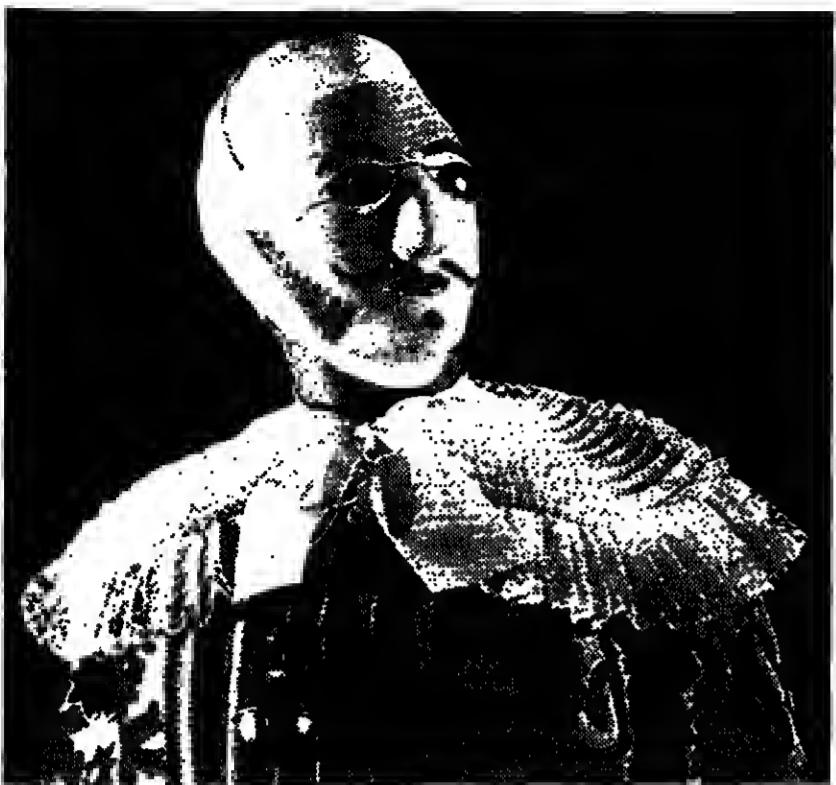
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In Binche, the Walloons Take Fat Tuesday Seriously



The residents of Binche spend months working on their masks.

By Barry James
International Herald Tribune

BINCHE, Belgium — In towns and villages in much of Europe, people dressed up in masks and costumes and bid "farewell to meat" this week, keeping up ancient carnival traditions in the face of rising modernity.

Few places have dedicated so much time and effort to celebrating carnival as Binche in the Walloon region of southern Belgium. Much of the town spent the past several months stitching together elaborate costumes and headdresses, that were seen for the first time on Tuesday. They will be rented out in subsequent years to other carnivals.

So seriously is the subject taken here that the town has established a museum of carnivals and masks that matches entertainment with serious anthropological and ethnological research.

Its director, the historian Michel Revelard and his wife, Guergana Kostadinova, have just co-authored a book on traditional masks and costumes in Europe. The book accompanies an exhibition on the subject at the Walonia-Brussels Center in Paris.

They observe that men have been wearing costumes and masks since the dawn of time. Prehistoric cave paintings show human hunters disguised as animals.

Anthropologists argue whether this was because the hunters wanted to acquire the magic powers of the animals, or because they stood a better chance of getting close to their game.

No one knows why Binche became such a serious carnival town. As in other parts of Europe, people here have probably always marked the end of winter with pagan rites, Revelard said. However, historians note that in 1549, Mary of Hungary organized a dazzling reception in the town in honor of her brother, the emperor Charles V and his son, Philip II of Spain, who came accompanied by the flower of the Spanish court. It was such a lavish party that even today in Spain if you want to describe something as special, you can say it is "better than the fiestas of Binche."

It was perhaps that party, some historians believe, that gave the town its taste for spectacle. One theory is that the 16th-century revelers brought with them exotic costumes and perhaps Indians from the New World. Today, the costumed revelers of Binche wear towering headdresses of ostrich feathers that are said to resemble ornaments worn by the Incas, and they hand out baskets of oranges that also hint at a Hispanic origin.

The revelers, about 1,000 of them organized in 10 societies, are called Gilles — after a character in the French version of the commedia dell'arte. To

join one of the societies, you must have been born in the town, or have spent a long time here, not because of exclusion, Revelard said, but because the carnival is such a strong element of civic identity and pride. It distinguishes the town in a region suffering sharp economic recession with the loss of heavy industry, and high unemployment. Binche used to be known for manufacturing high-quality men's suits, but that industry has collapsed as well, and the art of fine needlework is seen today mostly in the ornate carnival costumes.

FAT Tuesday for the Gilles is the culmination of weeks of rehearsals and festivities, including three carnival balls, divided like almost everything else in Belgium into Catholic, Liberal and Socialist. The day, which for most participants lasts until shortly before dawn Wednesday, is strenuous. The Gilles march around a lot to the sound of brass and wind bands playing tunes from the 18th century.

And for part of the day they don identical and slightly sinister masks based on the idea of a bourgeois gentleman at the time of Napoleon III.

The masks, which the town's picture frame makers of fabric and wax, are particularly to Binche and are never sold to the public. The Roman Catholic Church has always opposed masked saturnalia

as a devilish throwback to pagan times, but brought the celebrations under theological control as a final fitting before the 40 days of Lenten fasting. (The word carnival comes from the old Italian *carnavalere* — or, literally, removal of meat). So it is mostly in strongly Catholic countries — or cities, like New Orleans — that the carnival tradition persists. But in Binche, the celebrations have nothing to do with the church, although Revelard said that for many participants they have a strong spiritual and mystical element.

As people lose contact with the seasons and the cycle of death and renewal in nature, Revelard said, the carnival tradition slowly loses its hold. Or it becomes an excuse for a fancy-dress party with latex masks bought from novelty stores.

Revelard said he doubted that the Binche carnival would fade away as a colorful and ultimately meaningless tourist attraction. "Tourists have been coming here for 100 years and they have not killed the carnival," he said.

He added that the festivity was more in danger from "fundamentalists" who want to keep every detail just as it is, and surround the carnival with too many regulations. Like any good carnival, he said, the one at Binche "exists despite modernity, or sometimes as a challenge to modernity."

On Theater's Edge: The Past Is Future

By Katherine Knorr
International Herald Tribune

PARIS — Some of the most imaginative French theater in the last 20 years has taken place away from the theatrical center of Paris, at its edge, artistically and sometimes also geographically.

The idea of the edge is more accurate than the over-used idea of the avant-garde, which trades on the outrageous, the obscene, the ugly, often without any other ideas. The best contemporary theater is not afraid to look backward, to believe in the sublime, to ask the oldest questions.

Among these theaters, Ariane Mnouchkine's near the Chateau de Vincennes and Peter Brook's at the Bouffes du Nord are internationally renowned. Now a small theater company on the eastern edge of the city, out far from the sinister-looking new national library, has begun an ambitious Greek cycle called "The Blood of the House of Labdacus," for which it emphatically deserves to be called one of Paris's most interesting theaters.

In a warehouse that once held supplies of the national train company, with only seven eclectic and multifaceted actors-singers, the Theatre du Lierre, founded in 1980 by Farid Paya, has just premiered the first two plays of a four-part Sophocles cycle with a twist.

The twist is that Paya himself wrote the first play, "Laios," the what-went-before "Oedipus Rex," in which Jocasta wakes from a terrifying, pestilential dream as the Sphinx is destroying Thebes. "Laios" tells how Oedipus was left for dead as a baby, and shows the great bitterness that has come between the two parents since Laius listened to the oracle and preferred, as Jocasta puts it, his own life to his son's.

These haunting performances are a mixture of verse, dance and polyphonic chants, on a stage that is spare but hot — that awful word — minimalist. The colorful and nationally undefinable costumes — they seem by turn Japanese, Russian, Chinese, Gypsy, American Indian — combined with music formed from the words of no known language (and so, perhaps, of all) make this staging truly "world art," in the best sense.

"I have the advantage of having two cultures that are extremely mixed," said Paya, who was born in Iran of an Iranian father and a French mother, and studied in France in the 1970s (he has, oddly, an engineering degree). "Because France is after all a country of great immigration, despite what Mr. Le Pen has said, and Iran also is a country that is extremely diverse."

Paya, in his emphasis on the multiple

talents of the actors, and particularly on the work of the body — something that has gotten lost in all the goofball adaptations of the classics to reflect modern anomie — is deeply interested in traditional music and dance from around the world. "Iranian theater is still very much sung," he said.

"In the beginning, getting actors to sing, the point was not really that they have lyric voices. We tried to look at the whole world, to look at the musical heritage. There are a lot of musics with an oral tradition that use timbre and voice placement very different from bel canto, and those voices are closer to theater."

"Traditional musics are tied to specific events — a funeral, or work. There is always a human event that justifies that music. So we look for ethnic music, and through the theater we create the events."

In the "Oedipus" cycle, the events, of course, are a universally known story,

the darkness that befalls a civilization through one cursed family. The dark stage, with its little fire and its modest, trickling fountain, the dramatic face and body makeup of the actors, their feathers and beads and the sudden changes of mood, like weather, make this extremely powerful theater.

ALL the performances are obtainable, with Jean-Yves Peufaie playing Laius and Oedipus with the despair and madness of impotent tyranny and Valerie Cou-Sibiril a tragic, god-defying but also coquettish Jocasta. Aloual is a very funky Tiresias, and Bruno Ozeau an ambiguous Creon, sleazy and yet, after all, telling the truth. Antonia Bosco, Jean-Louis Cassarino and David Weiss round out this strong cast, and Bosco's very pure voice sets the toco. The music is by Michel Mussean, the costumes by Evelyne Guillot.

The Theatre du Lierre is part of a reaction to trends since the 1960s that tried to make the classics "relevant" and ended up making them meaningless. "I find French theater — it's a tough thing to say — there is a lot of dead theater," said Paya. "Something bad happened during the 1970s and '80s. The actors were reduced by the stage directors. We had the reign of the director, great light and scenery effects, and next to that actors who were there to boost the image of the director. It is the actor who is the real conduit for the emo-



Aloual in Theatre du Lierre's "Oedipus Rex."

tion and energy of the theater. A stage director sets the stage for an actor.

"I believe the beauty of the staging is only justified if the actors are good, that is, if they are strong. And that is something that has been sacrificed, and there has been a loss of acting skills. The happiness of the audience is tied to that of the actor. That is the humanity of the theater."

Traveling abroad has allowed the company to see how far what Paya calls the "alchemy" of theater, dance and music can communicate across language barriers. "We have staged performances where the story was told entirely with the music, so we were able easily to go to non-Francophone countries. But even with text, where the visual and the musical are important we have been able to travel because when you do tragedy the story is well-known. We found that the body could substitute for language."

In writing his "Laios," Paya created characters and invented an interior life for Laius (son of Labdacus) that makes him deeper, more fragile than one would expect. He wanted not to go all the way to "the origin of the curse, not to say that it was original sin, because that's Judeo-Christian and the Greeks weren't and I don't feel particularly Judeo-Christian." Rather, he wanted to show "that man always has problems and a need to search — and this great self-searching by Laius, who loses everything, who goes to his death knowing what will happen. I thought it was a good idea, this courage, this sofitude."

"Le Sang des Labdacides": "Laios," followed next season by "Oedipe a Colone" and "Antigone". Theatre du Lierre, 22 rue du Chevaleret, Paris 13. tel: 01-45-86-55-83.

CROSSWORD

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5 Important Phoenician city
11 Letters from 12-13
14 Col. Lew's "Christ Stopped at" —
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Solution to Puzzle of Feb. 24

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STOPPING **GOWOOD**
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JESUS **ERODE** **ZERO**

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3 Parks of civil rights
4 Hit men
5 Crystal chandelier sound
6 Endures apprehensively
7 More than miffed
8 Day of "Pillow Talk"

Puzzles by Robert H. Wells

Now New York Times/Edited by Will Shortz

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42 Downyfable alternative
43 Kind of flea or dollar
44 Astronomical phenomenon
47 Wallet wad
48 Magna
51 CD —
52 Chalet support,ability
57 United rival
58 Superstar
59 With 63-Across, comics
60 Girlfriend
61 "Bell" —
62 Worn away
63 Zaragoza sir
64 See 59-Across
65 Resided
66 Paradises

67 Sourdough's find
68 Of no use
69 Straight: Prefix
70 "Nothing doing!"
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73 Like sharp cheese
74 It may be fatal
75 One from Hanover
76 "Lucid" stream,
10 Thomas Gray
77 Sartre's seas

78 Broadway blinder
79 Do e post-Challenger diagnosis
80 Ancient Greek colony
81 Loses control
82 "Norma" —
83 "Kapow!"
84 Refusing to listen
85 Actress Raines
86 F.B.I. agent's communication
87 Mom's offering
88 Haste
89 Document
90 Hormone
91 Andromes
92 "The Mod Squad"
93 "Fix"
94 TV's Matlock
95 Inc., overseas
96 Vegas opener
97 Licensed
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Gerard Mestrallet, right, at the news conference announcing the Suez Lyonnaise merger. At left was Jerome Monod of Lyonnaise des Eaux.

Big Challenge Ahead for Suez Lyonnaise Chief

By Susannah Patton
Special to the Herald Tribune

PARIS — As Belgians rallied against the French cameraman Revoal's plan to close its manufacturing plant in Vilvoorde last spring, one Frenchman was receiving a top civic award in Brussels.

For Gerard Mestrallet, chief executive of the newly merged Suez Lyonnaise des Eaux SA, the stamp of approval came after his four years at the helm of the troubled Suez subsidiary Societe Generale de Belgique and marked his contribution to friendly business relations between France and its northern neighbor.

Those who have watched Mr. Mestrallet climb to the top of the French business world say the Belgian award highlighted his ability to balance corporate demands and national sensitivities, a skill seemingly lacking at the top of Renault during the pullout from its Vilvoorde plant.

"Mestrallet is not the arrogant tech-

nocrat that France is so good at producing," said Elie Cohen, a French academic economist. "In Belgium, he showed his ability to listen to others and to analyze the situation with subtlety and discretion."

Mr. Mestrallet, 48, still appreciates a good Belgian beer, but he is back in

INTERNATIONAL MANAGER

France with his largest challenge to date in front of him: creating an industrial giant from the merger of two of France's oldest, stodgiest but most powerful conglomerates — Compagnie de Suez and Lyonnaise des Eaux.

Mr. Mestrallet aims to focus Suez Lyonnaise des Eaux on four businesses: water, energy, waste and communications. The utility company has global ambitions for only the first three of these fields, however, and will keep its communications ambitions and investment on a European scale.

Mr. Mestrallet's strategy of focused

international expansion places him in the fore of utilities reorganization across Europe, analysts say, where saturated local markets are forcing companies to expand abroad.

Many analysts praise Mr. Mestrallet, who belongs to a group of younger French managers with international am-

Suez Canal, and Lyonnaise des Eaux, a water utility, merged after a brief courtship period. The deal had been rumored for the previous two years, but Mr. Mestrallet's predecessor at Suez had been unable to close the deal.

Since then, Mr. Mestrallet has outlined a plan of action and forged ahead, signing lucrative water deals and building the company's presence in energy and waste management, two areas of enormous potential growth. He has scaled back the company's ambitions in telecommunications, and hinted at future sales of financial assets. And he has made it clear he wants to make even more radical changes.

"The era of large, diversified holding companies like Cie. Financiere de Paribas, the Cie. Financiere de Suez and Navigatio Mixte is completely finished," Mr. Mestrallet said in a recent interview. "I am happy to say that the merger ends the saga for Suez, which became a holding company with the

See SUEZ, Page 17

Avon and Others Keeping It Personal

Direct Sellers Largely Eschew the Stampede to Sell Products via Internet

By Lisa Napoli
New York Times Service

NEW YORK — At a virtual Tupperware party, no coffee is served, and there are no demonstrations of the product's notorious "burp" when properly sealed or how the cheese plane doubles as an eggplant peeler. But Regina Baker says her modern interpretation of that well-known American sales gathering is an effective substitute.

"Not everybody has time to go to a party," Ms. Baker said, which is why she built a site on the World Wide Web two years ago to sell her plastic products. The site accounts for 60 percent of her revenue, she said, and 80 percent of her customer base, which has grown to include buyers in Japan, Singapore, the Netherlands and Germany — markets far beyond the reach of a living-room gathering near her home in Houston.

But by selling over the Internet, Ms. Baker is violating the policies of Tupperware Corp. The company forbids its self-employed sales consultants — about 1 million of them worldwide — from building Web sites to sell its products, and a year ago it amended the contracts of new consultants to reflect the prohibition. Since then, warning letters have been sent to site operators, and the 100 Tupperware sites have reportedly dropped to a renegade handful.

"The Internet is an information source, not a sales source," Lawrie Hall, a company spokeswoman, said. "We see it as a wonderful way to edu-

cate people. The Internet doesn't provide the kind of service we see as beneficial to the consumer."

The traditional Tupperware party, Ms. Hall said, connects the customer to the product in an essential way: "At a party, you see more, feel it, understand it."

Though electronic commerce is widely promoted as the Holy Grail of the Internet and the next wave of retailing, Tupperware is not alone in swimming against the tide. Other direct-sales businesses, including Amway Corp., the cosmetics company Mary Kay Corp. and the vacuum cleaner company Electrolux AB have all shunned the notion of selling directly to consumers on-line, though each has built a Web presence for educating customers, enhancing brands and recruiting salespeople.

Several others, including Avon Products Inc. and Fuller Brush Co., a unit of CPAC Inc., are offering their products for sale on-line but say the move is an appeal to the wired generation and does not mean they are dropping the notion of face-to-face selling.

Mary Kay has developed a compromise approach: For a small fee, it helps its sales force by building individual Web pages on its central computer. To date, 10,000 sales associates in the United States have signed up for the program. But sales are not allowed.

"We wanted to maintain a consistent branding of Mary Kay on the Internet, but this allows them to publicize their independent businesses," said Karen Dodge, a spokeswoman for the Dallas-based company.

Among the companies that have been the chief U.S. direct sellers, only Encyclopaedia Britannica Inc. has abandoned direct sales, shifting 18 roooths ago to phone and on-line sales bolstered by advertising.

Even in a hurried, increasingly digital age, face-to-face selling outside a retail environment with product demonstrations has experienced slow but steady growth. According to the Direct Selling Association, an industry group in Washington, sales of products sold in this manner, from baskets to vitamins to small appliances, added up to \$20.84 billion in 1996, an increase of 6 percent since 1992.

Those numbers reflect the need for customer education and personal service in selling some products, association officials said.

"The classic example is Tupperware," said Liz Doherty, an association spokeswoman. "It was originally sold in stores. But people looked at it and said, 'Plastic is smelly, and the lids don't seem to close.' Demonstrations were needed to show the value of the product."

As for vacuum cleaners, she said, "Before they came out, people used to beat their carpets with a stick. People were skeptical, until a salesman showed up at their door and demonstrated how they worked."

Yet proponents of electronic commerce insist that the Internet, especially the media-rich World Wide Web, is well suited for demonstration and targeted

See TUPPERWARE, Page 17

CURRENCY & INTEREST RATES

Feb. 24 Libid-Libor Rates

Feb. 24

Cross Rates

Source: Reuters. Rates are subject to change. All rates are in U.S. dollars.

Close in Amsterdam, London, Milan, Paris and Zurich, 100 francs to the dollar. Other cities: 100 francs to the dollar.

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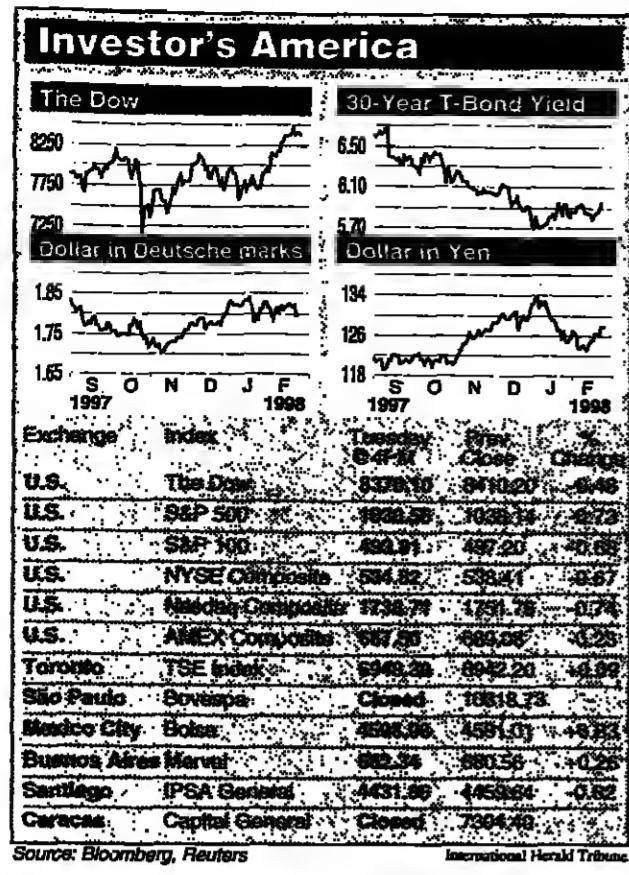
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THE AMERICAS



Source: Bloomberg, Reuters

Very briefly:

- Siebe PLC, a British electronics concern, agreed to buy the U.S. software company Wonderware Corp. for about \$375 million. Wonderware pioneered Microsoft Windows-based software for developing industrial automation applications.
- Sinclair Broadcast Group Inc. agreed to buy closely held Sullivan Broadcast Holdings Inc. in a transaction valued at \$950 million to \$1 billion.
- Lear Corp. agreed to buy the automobile-seat unit of General Motors Corp.'s Delphi subsidiary. Terms of the transaction were not disclosed; analysts had estimated the business would sell for \$200 million to \$300 million.
- Computer Sciences Corp. sued Computer Associates International Inc., alleging that Computer Associates' "campaign of fraud" in its hostile takeover attempt had cost the company more than \$50 million. Computer Sciences said Computer Associates' actions, including disparaging remarks to customers and workers, were costing it business.
- Texas Instruments Inc. said its chairman, James Adams, planned to retire April 1, after the company's annual shareholder meeting.
- Cambion Inc. shelved plans to develop copper projects valued at \$3.4 billion in the United States, Argentina and Peru because of plowing metal prices.

Bloomberg, Reuters

Microsoft Hits \$200 Billion Level

Bloomberg News

REDMOND, Washington — Microsoft Corp. on Tuesday joined General Electric Co. as the only other company with a market value of more than \$200 billion.

Microsoft's shares closed up 75 cents at \$82.375, giving the company a market capitalization of \$200.50 billion.

GE, whose assets include the NBC television network and a financial-services company, has a market value of \$253 billion, making it the most valuable company in the world.

In Need of Financial Treatment

Group Buys Stake in Oxford Health to Help It Recover From Loss

Bloomberg News

NORWALK, Connecticut — Oxford Health Plans Inc. said Tuesday that a group led by the Texas financier David Bonderman would invest \$700 million for as much as a 22.1 percent stake as the managed-care company seeks to rebound from losses that have knocked three-quarters from its market value.

Oxford also named Norman Payson as its chief executive and said it had a loss of \$284.7 million in the fourth quarter, more than double the \$120 million it forecast in December. The loss includes \$239 million Oxford added to its reserves for paying doctors and hospitals.

Oxford has been losing money after it failed to keep track of medical bills and doctors' payments. The company told analysts that recovery will last at least through 1998, while confirming that the buyout firm Kohlberg, Kravis, Roberts & Co. decided not to invest because of differences regarding management.

"We don't really have a sense of how much they're losing and how

deep a hole they have to climb out of," said Thomas Hodapp, an analyst at BancAmerica Robertson Stephens.

Oxford shares closed down \$1.475 at \$18.50. Oxford Health

has seen its stock fall from a high of \$89 in July.

"The bottom line is that Oxford needs the money," said Terrence McCrary, an analyst with Auerbach, Pollak & Richardson. "The fact that Payson's a physician will help with their public-relations problem."

Mr. Payson is former chief executive of Healthsource Inc., a health maintenance organization sold to Healthsource Inc. last year. He will personally invest \$10 million in Oxford.

Mr. Payson is well respected in the managed-care industry, analysts said.

He earned good marks for coming to grips with exploding medical costs.

Texas Pacific's chief concern, meanwhile, will be getting Oxford's costs under control by addressing "some of the issues that have caused the losses," said Owen Blinksilver, a

spokesman for the investing group. Oxford Health also confirmed that Stephen Wiggins, who founded the company in 1984, will step down as chairman, while remaining as a director. Fred Nezan, a board member, will act as nonexecutive chairman.

Oxford Health said in December that it expected fourth-quarter and full-year losses, estimating the fourth-quarter loss at about \$120 million. Oxford said Tuesday that the loss for 1997 was \$291.3 million.

The company posted a loss of \$78.2 million in the third quarter, after year-earlier net income of \$26.7 million, because of computer problems that caused incorrect tracking of income and costs.

Oxford, still considered a popular health maintenance organization by many patients, has angered doctors and hospitals by failing to pay bills. Last year, New York state insurance regulators prodded Oxford to add \$164 million to its reserves after the company came under fire for a backlog of overdue payments to New York hospitals and doctors.

Dollar Edges Higher On Growth Outlook

Greenspan Seems to Rule Out Rate Moves

Bloomberg News

NEW YORK — The dollar was slightly higher against other major currencies Tuesday after Alan Greenspan, the chairman of the Federal Reserve Board, indicated that no change in U.S. interest rates was forthcoming.

Mr. Greenspan said he expected the economy to keep growing with little inflation. His prediction of a report showing the consumer price index — the Fed's foremost inflation gauge — was unchanged in January.

"The economy continues to be good in the United States, and the dollar should remain strong," said Rick Zauderer, a trader at Friedberg Commodity Management Inc. in Toronto.

Mr. Greenspan's remarks sent Treasury bond prices lower, which held back the dollar, because foreign investors selling U.S. financial assets often convert the proceeds into their home currencies.

Still, in 4 P.M. trading, the dollar was up to 1.7971 Deutsche marks from 1.7960 DM on Monday and to 1.2795 yen from 1.2790 yen.

It also gained to 6.0240 French francs from 6.0185 francs and to 1.4507 Swiss francs from 1.4495 francs. The pound slipped to \$1.6507 from \$1.6570.

The dollar was supported against the mark by German price reports that suggested there was little chance the Bundesbank would raise interest rates soon.

German producer prices fell 0.1 percent in January from December, compared with expectations they would be unchanged.

FOREIGN EXCHANGE

Consumer prices in the Western states of Baden-Wuerttemberg and Bavaria rose 0.3 percent in the month to mid-February.

"The dollar should remain pretty well supported against the mark," said Jeremy Strelitz, a currency strategist at NatWest Markets. "Price pressures in Germany are very, very benign. There is no pressure on the Bundesbank to raise interest rates."

The dollar is expected to gain against the yen in coming days on the likelihood that Japanese officials will not cut taxes or increase spending to lift the economy out of its seven-year slump.

Finance Minister Hitaru Matsunaga said Tuesday the Liberal Democratic Party was "doing all it can" to put together additional measures to lift the economy but that those efforts would not include new spending.

Intel Takes Aim at Networking Market, Introducing a Wide Variety of Products

Reuters

SAN FRANCISCO — Intel Corp. introduced a variety of networking products Tuesday aimed at users ranging from homes to small business to large corporate campuses, marking a push by the company in the rapidly growing networking business.

Craig Baran, president and chief operating officer, said Intel estimated that there would be 1 billion networked personal computers within a decade.

Intel said an increasing number of homes had multiple personal computers, and families and small business owners were seeing a need to connect their PCs so they could share printers and other peripheral items.

Intel said there were about 14 million consumers with more than one PC in their homes, and it said the number was expected to grow to more than 30 million by 2000.

working business had an estimated \$500 million in revenue in 1997.

On Tuesday, as part of a networking symposium Intel is hosting in San Francisco, the company rolled out networking hubs and routers aimed at branch offices and high-speed switches targeted to corporate environments. It also announced plans to target the home market.

Intel said an increasing number of homes had multiple personal computers, and families and small business owners were seeing a need to connect their PCs so they could share printers and other peripheral items.

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AMEX

Tuesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock Sales High Low Lastc Chg

AMCI 251 262 258 26 1.75

ADP 153 153 152 152 0.00

ADP/P 153 153 152 152 0.00

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and that although real price increases remained between 10 and 15 percent, inflation was not insurmountable. Britain has insisted that Washington demonstrate its goodwill toward meeting grievances and that using British assets frozen in the United States immediately after the revolution of 1979, when

Anti-Carnival Flamingo Leaves 6 Dead

PORT-AU-PRINCE, Haiti — A small crowd early Tuesday, killing 6 and injuring 39, police said.

The driver of the float, which carried the popular music group RAY, was shot at the end of the carnival on Port-au-Prince's downtown Champs de Mars square.

It was the second day of the carnival, with dozens of floats up on floats leading hundreds of thousands of dancing and singing merrymakers.

More than 1,500 police officers were on security duty.

Source: Associated Press

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NYSE

Tuesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

The Associated Press

MALAYSIA

Bullish on Bouncing Back

Despite Weak

Big Firms Take Long View of China's Crisis

TUP

Continued on Page 18

In a Signal to IMF, Thailand Raises Taxes

Taking Aim at Targets in Austerity Plan

Compiled by Our Staff From Dispatches

BANGKOK — The government raised taxes on gasoline and luxury goods Tuesday, trying to demonstrate its commitment to a tough austerity program prescribed by the International Monetary Fund.

Prime Minister Chuan Leekpai and Finance Minister Tarrin Nimmahanaeminda said the new taxes approved by the cabinet were essential for Thailand to meet a budget target agreed to with the IMF for the year ending in September.

"The government tried hard to keep tax increases to a minimum to keep the burden on the public low," Mr. Chuan said. "The economy is weaker than expected, and spending cuts haven't been enough."

The government also sharply lowered its forecasts for the country's economic output this year and said it would speed privatizations and raise funds to finance recent bailouts of financial institutions.

According to the government's new estimate, the Thai economy could shrink as much as 3.5 percent this year, compared with a previous forecast of a decline of 1 percent.

The tax increases came as the cabinet approved some revisions to the IMF's \$17.2 billion bailout package that will allow Thailand to run a deficit this fiscal year. The changes still have to be approved by the IMF board when it meets in Washington next Wednesday.

The current 1998 spending target

is 800 billion baht (\$18 billion). The figure has been slashed four times in the past year, by a total of 19 percent. Analysts said the new targets were realistic and the new taxes were needed to bolster government revenue.

Mr. Tarrin said higher taxes on gasoline, beer, wine, tobacco and eight imported products would give the government an extra 9.2 billion baht in revenue in the remaining seven months of this fiscal year.

The government also raised fees on commercial transactions involving land and property and on new-car registrations.

"This is a signal of our sustained fiscal discipline, to show that we strive to find more revenue to offset some 100 billion baht of revenue shortfall because of the depressed economy," Mr. Tarrin said.

Last year, Mr. Chuan's predecessor, Chavalit Yongchayudh, was forced to back down from a move to raise fuel taxes in the face of a public outcry.

In the new measures, the government left taxes on diesel and other refined oil products unchanged.

The gasoline-tax increase "will have no impact on the manufacturing sector," Mr. Tarrin said.

Thailand also doubled, to 60 percent, the tariff on imported cigarettes, which account for less than 2 percent of the market. The excise tax on all beer was raised to 53 percent from 50 percent. Tax on wine rose to 55 percent from 50 percent.



Prime Minister Chuan Leekpai of Thailand announcing new Tuesday as well as more pessimistic growth forecasts.

The minister said he expected Thailand's 1998 current account to show a surplus equal to 3.5 percent of GDP, rather than the deficit of 1.8 percent expected earlier.

Falling domestic demand and falling capital inflows from other countries caught up in the Asian financial crisis were given as the main reasons for the reassessment of GDP growth.

Simon Flim, an economist in Singapore for the consulting firm IDEAS, said, "People might be shocked at the economy contracting so much, but it is quite a welcome look at realism."

Inflation now is expected to average 11.6 percent in 1998, against 10 percent targeted earlier, after registering 5.6 percent in 1997.

(Bloomberg, Reuters)

New Official Terms Peg For Rupiah A Risky Plan

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia's new central bank chief warned Tuesday that pegging the currency to the U.S. dollar could carry "high risks" and said the country needed to find other ways to rescue its economy.

The remarks by Sjahri Sabirin, speaking at his installation as governor of Bank Indonesia, reinforced the impression given by other Indonesian officials in recent days that President Suharto was backing away from his plan for such a currency peg.

Mr. Suharto had hired an American economist to help establish a so-called currency board to ensure that Indonesia's money was backed up with reserves of a foreign currency, most likely the dollar. Faced with opposition from the International Monetary Fund, however, which threatened to suspend payments from its \$43 billion economic aid package, Foreign Minister Mar'e Mohammed said Monday that the plan would be delayed.

"If the preparations for a currency board are not mature, then the currency board will create high risks," Mr. Sjahri said after he was sworn in to succeed Sudrajad Djawandono who was dismissed by Mr. Suharto last week. Mr. Sudrajad was an opponent of the currency-board idea.

Without rejecting the peg, the new central bank governor called the mechanism "one attractive option" and said the priority should be to find an effective means of stabilizing the rupiah, which has lost 70 percent of its value in the past six months.

"If the current economic crisis continues as it is now, there will also be high risks," he said. "I'm afraid that a lot of suffering will occur."

The rupiah slipped against the dollar Tuesday as the U.S. currency rose to 9,650 rupiah from 9,300 rupiah Monday.

Washington, meanwhile, announced that former Vice President Walter Mondale would leave for Jakarta on Saturday to try to persuade Mr. Suharto to implement reforms outlined by the IMF.

Michael McCurry, the White House spokesman, said President Bill Clinton had telephoned Mr. Suharto "several times" to indicate his "concern with the economic and political situation in Indonesia" and to express his view that commitment to implementing the IMF reforms was the best chance of restoring Indonesia's financial stability.

If Indonesia does follow through with the currency board, Mr. Sjahri suggested, it would have to be an "unconventional" one, with its operations tightly supervised by the central bank. Most currency boards act in place of a central bank, maintaining the currency peg by keeping billions of dollars of foreign currencies to back up all the national currency in circulation. A currency board generally has considerable independence, depriving the government of its ability to print money, set interest-rate policy or extend credit to banks.

(Bloomberg, Reuters)

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
15500	2000	19000
14000	1600	15000
12500	1000	17000
11000	1400	16000
9500	1250	15000
8000	1000	14000
6500	800	13000
5000	600	12000
3500	400	11000
2000	200	10000
1500	150	9000
1000	100	8000
500	50	7000
0	0	6000
S O N D J F 1997	S O N D J F 1998	S O N D J F 1997
10,863.34	10,885.21	11,187
1,561.75	1,551.91	+0.63
2,668.20	2,655.10	+0.42
16,198.00	16,603.48	+2.48
728.84	720.46	+1.30
517.05	521.82	-0.91
540.89	543.06	-0.40
9,055.46	9,147.00	+0.88
2,100.78	2,116.00	-0.72
494.89	505.035	-2.01
2,266.84	2,258.71	+0.36
3,484.69	3,478.40	+0.18

Source: Telekurs

International Herald Tribune

Very briefly:

• Australian corporate profits hit a six-year low in the fourth quarter of 1997, falling 4.5 percent on a seasonally adjusted basis, to 11.27 billion dollars (\$7.48 billion). The Australian Bureau of Statistics said the Asian financial turmoil that began last summer had had only a minor impact on the earnings.

• Standard & Poor's Corp. revised its outlook on the Philippines' long-term credit ratings to negative from stable.

• Fuji Bank Ltd.'s long-term credit rating was cut to A3 from A1 and its short-term deposit and other debt ratings to Prime-2 from Prime-1 by Moody's Investors Service Inc., which cited the bank's increase in its stake in Yasuda Trust & Banking Co.

• Matsushita Electric Industrial Co.'s group pretax profit fell 5 percent, to 39 billion yen (\$303.6 million), in the quarter ended in December from a year earlier as weaker demand in Japan and the rest of Asia offset stronger North American sales.

• Japanese motor-vehicle output fell 9 percent in January from a year earlier, to 834,816 units.

• China is still "the biggest dollar-value offender" in software piracy, according to the Software Publishers Association, a U.S.-based group that said illegal copying of computer software cost U.S. companies \$1 billion in 1997.

• Telekom Malaysia Bhd.'s net profit fell 3 percent, to 1.83 billion ringgit (\$479.1 million), in 1997. The profit decline, the company's first in five years, came as the weakening of the ringgit raised the cost of payments on its foreign debt.

• Commerce Asset-Holding Bhd. said Rashid Hussain Bhd. should pay an amount equivalent to net tangible assets, or 2.1 billion ringgit, for its Bank of Commerce unit, which Rashid Hussain Bhd. wants to buy.

• AFP, Reuters, Bloomberg

Consumer Confidence Plunges, Except in Taiwan, Survey Finds

Compiled by Our Staff From Dispatches

SINGAPORE — Many Asian consumers are pessimistic over the region's prospects in the next six months, with only those in Taiwan remaining upbeat amid the economic turmoil, a survey released Tuesday showed.

The economic crisis has sent consumer confidence in the region skidding "to unprecedented low levels," according to a semiannual survey compiled by MasterCard International of 13 economies: Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand and the Philippines. The latest results are from the December survey.

Consumer confidence was measured on a scale from zero — the most pessimistic — to 100. One of the worst declines was in Indonesia, where the index fell to 35.9 from its peak of 95.9 last June. The survey also said that "confidence in quality of life" there, which was at 100 in June 1997, had fallen to 40.4.

The poll found that consumer confidence in all 13 economies had been affected significantly by the financial crisis except in Taiwan, where the level was unchanged at 54.

(Reuters, AFP)

Electronic Banking Slashes Jobs at ANZ

Compiled by Our Staff From Dispatches

SYDNEY — Australia & New Zealand Banking Group Ltd. said Tuesday it was cutting more than 1,700 jobs, or 8 percent of its work force, as part of its move away from customer service to electronic banking.

ANZ said the cuts were part of its "branch of the future" program, which aims to streamline the banking company's network of more than 1,000 branches, effectively turning them into centers.

The cuts come on top of an 11 percent reduction in staff in the 1996-97 financial year and cuts of 7,905 full-time staff positions from 1990 to 1993.

ANZ, which currently has a freeze on recruitment except for hiring top graduates, did not rule out further cuts.

"We have a responsibility to our shareholders to run a lean organization, and that means cutting more jobs, that's what we'll do," an ANZ representative said.

Its announcement brought an angry response from its unions. "The cuts are too deep," a representative

of the Finance Sector Union said. "The planning for the change hasn't taken into account that they are going to try and take a lot of people out of the branches, while at the same time they are going to try and train staff in new processes and new roles."

The job cuts are part of a growing trend among Australia's big banks to increase their reliance on electronic and telephone banking and reduce the demands on branch personnel. Australia's four major banking companies are expected to cut 10,000 employees this year to try to maintain profit growth in an increasingly competitive domestic market.

ANZ's chief executive, John McFarlane, has made clear his intention to accelerate ANZ's cost-cutting program since he took over the top job last year.

ANZ has the highest cost-to-income ratio of the big four banks, at 64.9 percent, and Mr. McFarlane has vowed to quickly bring it down.

In Sydney, ANZ's shares rose 20 cents to close at 9.74 Australian dollars (\$6.46).

(AFP, Reuters)

Aviation Firms Take Long View Of Asia's Crisis

Reuters

SINGAPORE — Aviation companies in Singapore for Asia's biggest air show this week conceded the region's economic crisis had caused some problems, but they minimized its bottom-line impact.

Airbus Industrie also announced at the show that its proposed 555-seat A3XX superjumbo design is not yet good enough to launch, forcing a one-year delay in the program.

Jean Pierson, Airbus chief executive, said that Airbus was not yet satisfied it could build cheaply enough either its superjumbo jet or its proposed new 100-seater, the AE31X.

The British engine maker Rolls-Royce PLC said Tuesday that it expected to lose sales from Asia's economic crisis as the region's airlines take up fewer of the aircraft on which they have options.

But John Rose, Rolls-Royce chief executive, said the company had suffered no order cancellations and expected other regions, like North America and Europe, to offset the sagging Asian market.

"Clearly, we are going to see a reduction in the number of options that are exercised," Mr. Rose said.

Aviation companies from the United States and Europe have actually increased exhibit space at this week's show despite the economic crisis, citing the long-term nature of the business. The aviation executives said Asia should emerge from this crisis within the next two to three years.

They cited analysts who say the region is still likely to account for almost a third of the world's civilian aircraft in about 15 years.

Continued from Page 13

nationalization of the Suez Canal."

Mr. Mestrallet's track record, which includes a stint at the head of Suez starting in 1995, backs up his words. Inheriting a sprawling, unprofitable mess whose forays into real estate purchasing and management had cost his predecessor his job, Mr. Mestrallet embarked on a series of bold restructuring moves at Suez with a speed that surprised analysts.

In 1996, taking a step many said spelled the end for Suez, Mr. Mestrallet sold Banque Indosuez, Suez's crown jewel and the one asset considered indispensable by most analysts. But by slimming the company and concentrating on industry and utilities, analysts now say, he transformed a corporate basket case into a company with the financial resources and industrial assets needed to forge alliances.

Airbus Industrie also announced at the show that its proposed 555-seat A3XX superjumbo design is not yet good enough to launch, forcing a one-year delay in the program.

Continued from Page 13

marketing — the next generation of old-fashioned door-to-door sales. Some suggest that direct sellers are resisting the Internet because they are built on a pyramid of salespeople.

"In many cases, the goods and services facilitate what multilevel marketing companies are really selling, which is distribution," said Don Peppers, a co-author of "Enterprise 1 to 1: Tools for Competing in the Interactive Age."

He added: "If you're in the business of selling distribution, you don't want your end users to go around the channels to obtain that stuff. Amway recognized that right away. What they say is, 'We're selling dreams.' They're selling the chance that anyone can make a business for themselves."

Continued from Page 13

Paradoxically, he suggested, imperfect technology, especially large databases that link products and consumer behavior, allows more efficient management of customer preferences. Direct sellers could borrow from the model of Amazon.com Inc., an on-line bookseller, to better focus on their customers' needs, he said.

"It's inefficient for the neighborhood bookseller to remember his best 100 customers' preferences," Mr. Peppers said. "On the other hand, Amazon.com does just that with every customer. Is Amazon an insidious encroachment on the way we do business? No, they're a rejuvenation, a technologically

NASDAQ

Tuesday's 4 P.M.

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The Associated Press

The Associated Press

NYSE

Tuesday's 4 P.M. Close
(Continued)

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WORLD ROUNDUP

Low-Rated Games

OLYMPICS The Winter Olympics in Nagano drew the lowest U.S. television ratings of any Winter Games for 30 years.

According to the preliminary numbers issued Monday by CBS, which broadcast the games in the United States, the network got a 16.2 rating — a 26 per cent share of the audience — for its prime-time coverage. The ratings for Lillehammer, four years ago, were, 27.8-42. Nagano is the lowest-rated Olympics since 1968, when ABC got a 13.5 rating from Grenoble, France.

The rating was also below the 19.5 CBS guaranteed advertisers. The network was forced to run extra spots during the second week of the games, and may need to provide further "make goods" to appease advertisers, who paid about \$45,000 for a 30-second advertisement.

Even so, the Olympics boosted ratings for CBS, which won 16 of the 17 nights in the crucial February "sweeps period," when local advertising rates are set. (AP)

Redskins Sign a Tackle

FOOTBALL Dana Stuhlfeld, the All-Pro tackle, has signed a six-year, \$36 million contract with the Washington Redskins. Stuhlfeld, 27, had spent all his career with the San Francisco 49ers.

In other deals, Dallas signed the former Miami offensive lineman Everett McIver to a five-year, \$9.5 million contract; Denver re-signed left guard Mark Schlereth to an undisclosed deal; Philadelphia re-signed the running back Charlie Garner to a four-year contract, and Chicago re-signed the tight end Ray Wettight to a three-year contract, \$1.9 million contract. (AP)

Patriots' Founder Dies

FOOTBALL Billy Sullivan, who brought the NFL to Boston and then watched the league outgrow him, died in Florida of cancer. He was 82. Sullivan was the president of a fuel delivery company when he was granted the rights to an original franchise in the AFL.

In the 1980s, he tried to sell Patriots stock in an effort to raise the cash to keep the team, but the NFL blocked him. He sold the team to Victor Kiam in 1988 for \$84 million. (AP)

Ireland Coach Resigns

RUGBY UNION Brian Ashton resigned Tuesday as coach of Ireland's rugby union team. Ashton, an Englishman, took the job last season and was on a six-year contract. He has been embroiled in disputes with Pat Whelan, the team manager, over the running of the team, which lost, 17-16, to Scotland in Dublin when the Five Nations opened on Feb. 7. (Reuters)

Dunking the Coach

BASKETBALL Members of the Minico High basketball team of Rupert, Idaho, didn't like the way they were treated by their coach. They got even by going on a dunking binge.

Four players dunked in warmups before a recent game, which is against the rules and draws an automatic technical foul against the team. Because of the technicals the coach, Blair Garner, was ejected before the game had even begun.

The boys were thrown off the team and suspended from school for three days. School officials called their act "premeditated in-subordination." (LAT)

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE ATLANTIC DIVISION

	W	L	Pct
Philadelphia	17	20	.437
New York	31	22	.555
New Jersey	31	24	.544
Orlando	28	27	.500
Washington	27	29	.471
Boston	25	30	.444
Philadelphia	17	20	.437

CENTRAL DIVISION

	W	L	Pct
Chicago	42	15	.737
Indiana	35	23	.600
Atlanta	32	22	.562
Charlotte	32	23	.567
Cleveland	29	26	.527
Milwaukee	27	28	.486
Detroit	25	29	.463
Toronto	12	42	.222

WESTERN CONFERENCE

	W	L	Pct
Utah	37	13	.712
San Antonio	36	18	.667
Minnesota	29	23	.565
Houston	27	27	.500
Vancouver	14	40	.259
Dallas	10	44	.189
Denver	5	50	.091

MIDWEST DIVISION

	W	L	Pct
Seattle	15	25	.333
Phoenix	37	16	.696
L.A. Lakers	36	16	.692
Portland	32	22	.557
Seattle	11	42	.205
L.A. Clippers	11	44	.205

MONDAY REPORTS

	W	L	Pct
Seattle	15	25	.333
Phoenix	37	16	.696
L.A. Lakers	36	16	.692
Portland	32	22	.557
Seattle	11	42	.205
L.A. Clippers	11	44	.205

TOP 25 TEAMS

MAJOR COLLEGE SCORES

Kansas vs. Oklahoma

Utah vs. UNLV

Connecticut vs. Providence

Why FIFA Chief Keeps His Jostling Heirs Guessing

International Herald Tribune

ONDON — Dictators never give up power gracefully, and Joao Havelange is behaving true to type. He has ruled FIFA, soccer's global authority, since 1974. He is growing desperate to prevent "his" presidency passing to Lennart Johansson, currently the head of UEFA, the governing body of European soccer and the first opponent to dare tell Havelange his time is up.

Johansson is the only declared candidate to succeed Havelange on June 8. But nominations do not close until April 7, and month by month Havelange pledges support to different men, to anyone, it seems, who might oppose Johansson.

Last summer, reasoning that control of the world game must at all costs not be concentrated on Europe, Havelange publicly proposed Julio Grondona, his closest friend on the FIFA executive, as his successor. Grondona, from Argentina, soon discovered that he would struggle for unanimity in Latin America, never mind the rest of the world, and said it would be better for everyone if Havelange continued as president.

Next, Havelange tried to persuade Michel Platini, who might be French but at least has the virtue of being Latin, to stand. Platini, 42, the co-president of the World Cup organizing committee, already has his hands full. He was flattered but not deceived into believing he was ready, or that FIFA's 200 member associations were yet ready for a former player of his tender years.

So now, Havelange is down to three candidates. He is heard from time to time encouraging Sepp Blatter to step up from general secretary to president of FIFA. He said last week, possibly because he is in Burkina Faso for the African Nations Cup, that Issa Hayatou, leader of the African soccer

federations, had all the qualities to be the successor.

With each declaration, each change of mind, Havelange reminds us that he is the man who built up FIFA from an organization that didn't have \$20 in the petty cash box in 1974; now each World Cup in the \$1 billion, and, according to Havelange, soccer worldwide commands revenues of \$260 billion a year. Maybe that is why he can't give it up. Maybe that explains why a man of 82 will not settle for life with the grandchildren.

There are those who have never contributed anything in committee other than nod their heads at appropriate moments. They parrot that the Family of FIFA must have continuity and want Havelange to remain. Havelange's legacy, they argue, must be protected by a ruler of like mind. And if there is no heir apparent, or if there is divided opinion, or more than one candidate, why then, papa, Havelange himself, must stay to see this great body through to the new millennium.

Actually, he has thought of that. He proposed it a year ago but a majority of the FIFA executive, having just learned to say no to the president over his attempt to grant the 2002 World Cup solely to Japan, said a second time to extending his office.

"The kindest way," said one member, "would be to have prepared a Flower Road for Havelange to proceed into history."

A Flower Road is an ancient Eastern custom, soothing the passage from power to gentle idleness for the elders. In Havelange's case, because he rid the committee and the administration of those he couldn't trust, the termination of his control had never before been on the agenda. But why, with over

three months of his tenure to go, is it of immediate concern? Because the administration is distracted at a time when it needs to function at its best. Because, just two days after the leadership vote, will start a World Cup which could be the biggest logistical nightmare soccer has encountered.

Johansson is chairman of the 1998 World Cup Organizing Committee. Blatter is chief executive of FIFA. They are potential rivals in a power game, and possible pawns in Havelange's divide and rule plot. Yet soccer needs them to cooperate, to use every shred of experience to prevent France from being overrun with problems.

FOR example, because African countries were still, with 51 votes highly influential in the succession, he promised them more places at the World Cup. Result: The World Cup has grown from 16 finalists to a much less manageable 32. France has to cope with that. It has to cope with an imbalance between its small stadiums and the massive ticket demands, which will create a black market of vast proportions. This World Cup will also have to cope with a crazy idea of rotating all teams so that none play consecutively in the same city.

This will lead, inevitably, to tens of thousands of supporters crisscrossing France. It will provide a fertile ground for hooliganism and, worse, for the political extremists planning to use the event for violent ends. FIFA is not responsible for the way it is, but it has a responsibility to design its grand tournament to deal with wider problems.

Johansson, and each of the men Havelange seeks to set against him, should be concentrating on the

World Soccer/Rob Hughes

coming World Cup for all have an elected part in its administration. Instead, because there is a major tournament this month in Africa and Africa is vital to all FIFA's ambitious men, they are in Ougadougou, courting the African vote.

The key man is Hayatou. He has a deal with Johansson. Hayatou is to deliver the African votes. Then, in four years' time, Johansson, who is 68, will step down and return the compliment and the bulk of UEFA's 50 nations will vote for Hayatou, now 51, as FIFA president. It is power bloc voting, it is the way of the world, but it is devilishly complicated.

Last summer in Lausanne, the African vote crumbled around Cape Town's bid for the 2004 Olympic Games. This week, South Africa, encouraged by Havelange and all the other possible candidates, joined Germany and England as prospective candidates for the 2006 World Cup.

The banting quickly becomes enmeshed with the canvassing for FIFA presidency and, though all candidates bend over backwards to befriend Africa, the plain fact is that Cape Town failed to persuade the International Olympic Committee it could make safe one city, let alone the 10 or 12 needed for the ever-growing World Cup.

The problems, for any host nation, have built up under one man's rule, from his lack of vision and his reluctance to plan beyond his time. Dictators seldom go gracefully.

Rob Hughes is on the staff of The Times of London.

Manager Quits Aston Villa

Brian Little, 44, resigned Tuesday as manager of Aston Villa in the English Premier League, Reuters reported from Birmingham.

EF Language Of Sweden Wins 5th Leg Of Whitbread

Compiled by Our Staff From Dispatches

SAO PAULO — Samba drums and dancing girls greeted the yacht EF Language Tuesday as it won the fifth leg of the Whitbread Round the World Race.

EF Language, a Swedish yacht skippered by Paul Cayard, crossed the finish line in Sao Sebastiao at nine minutes past midnight local time.

Cayard, an American, and his crew also won the first and third legs. They completed the journey from Auckland, a distance of 6,670 nautical miles, in 23 days, 1 hour, 9 minutes 23 seconds.

Their arrival in the middle of the Carnival and the middle of a windy, hot and humid night seemed to be a sufficient excuse for a major celebration in this city of 33,000.

An Afro-Brazilian percussion band with 80 drummers and hundreds of local residents and tourists greeted the yacht as it sailed into port.

As he stepped ashore, Cayard said, "Our success in the race is only paralleled by this reception."

To get from Auckland to Sao Sebastiao, the nine participating yachts went from the South Pacific to the South Atlantic by going around Cape Horn on the southernmost tip of South America, a stretch that is the most treacherous in the race.

"I have enormous respect for the Southern Ocean, and this is the first time that I have been in harmony with it," said Magnus Olsson, a Swedish crew member sailing in his fifth Whitbread.

"We were always one step ahead of it, and the ocean rewarded us for our decisions," he said. "We coped well with the conditions and we loved it."

"Cape Horn is my Mount Everest. It came out of the fog, this rugged land with waves crossing in different directions. The mystery of the Cape evaporated as we sailed from the Southern Ocean into the South Atlantic."

The 31,600 nautical mile, nine-leg race began Sept. 21 in Southampton, England. EF Language won the first leg (Southampton to Cape Town) and the third leg (Fremantle, Australia, to Sydney).

In second place was Brunel Sunergy of the Netherlands, 514 miles behind, with the American yacht Chessie Racing in third place, 536 miles from the finish line.

Also racing for third place were Swedish Match of Sweden, Monaco

FEB 25, 1998

Bulls Rout Cavs, 97-75, And Are 8-0 Since Break

The Associated Press

CHICAGO — The Chicago Bulls started this season much too slowly to reach the 72 or 69 regular-season victories of the two previous years. But with an 8-0 record since the All-Star break, they are once again chasing the NBA's best record.

"I think other teams are watching us," Michael Jordan said. "I think they can see we are starting to get healthy and into a rhythm. Whatever edge we may

NBA Roundup

have lost early in the season, I think we're starting to regain that with our success. We're starting to find our niche and groove and our roles."

The Bulls had an easy time Monday night, routing the punchless Cleveland Cavaliers by 97-75 to improve their record to 42-15.

In the next 12 days, the Bulls play just three games, all at home. And they expect to win all three against Portland, Sacramento and Denver, keeping the pressure on Seattle for the league's best mark and homecourt advantage throughout the playoffs.

Seattle improved to 42-13 Monday with its victory over the Clippers.

"We'd love to get it," Jordan said after scoring 17 points and then sitting out the fourth quarter Monday night.

"There is a Seattle watch on this team. You just keep putting a winning streak together, and the next thing you know we can catch them and pass them."

Cleveland shot only 33 percent and had 19 turnovers. Zydrunas Ilgauskas scored 15 points and Shawn Kemp 13 for Cleveland, which lost for the eighth time in 10 games.

The Cavaliers went scoreless for more than eight minutes in the first half, and the Bulls' 12-0 run during that span helped them build a 52-33 half-time lead.

At the start of the second half, the Cavs went five minutes without a basket and mustered only three field goals in the entire third period, two by Danny Ferry. By that time, Chicago had a 72-48 lead, allowing Jordan and Scottie Pippen to take the rest of the night off.

SuperSonics 101, Clippers 100 Vin Baker scored 27 points and Gary Payton recovered from a cold start to score eight of his 12 points in the final four minutes as Seattle won in Los Angeles.

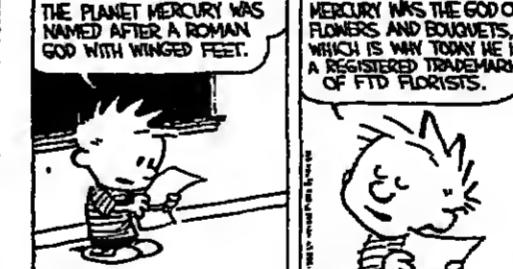
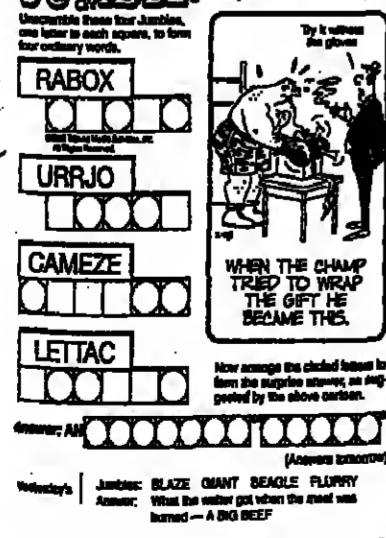
Los Angeles lost for the seventh consecutive time and 15th time in 16 games despite 24 points from Lamond Murray and a season-high 10 3-pointers.

Pistons 111, Kings 85 Grant Hill had 28 points and 13 rebounds in only 31 minutes in Detroit's rout of Sacramento.

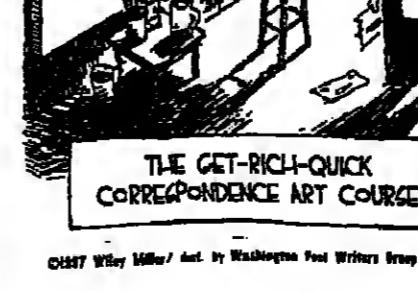
Brian Williams added 19 points for the Pistons, who led by as many as 31 points in the fourth quarter. Mitch Richmond and Terry Devere led the visiting Kings with 14 apiece, but Richmond was only 3-for-12 from the field.

Hornets 118, Nuggets 99 Glen Rice scored 31 points, including 5-for-6 on 3-pointers, as Charlotte handed Denver its eighth straight defeat.

Rice, averaging 27 points in his last seven games, hit 11 of 16 shots from the field. Matt Geiger had 22 points and 11 rebounds for the visiting Hornets, while LaPhonso Ellis led the Nuggets with 23 points and 12 rebounds.

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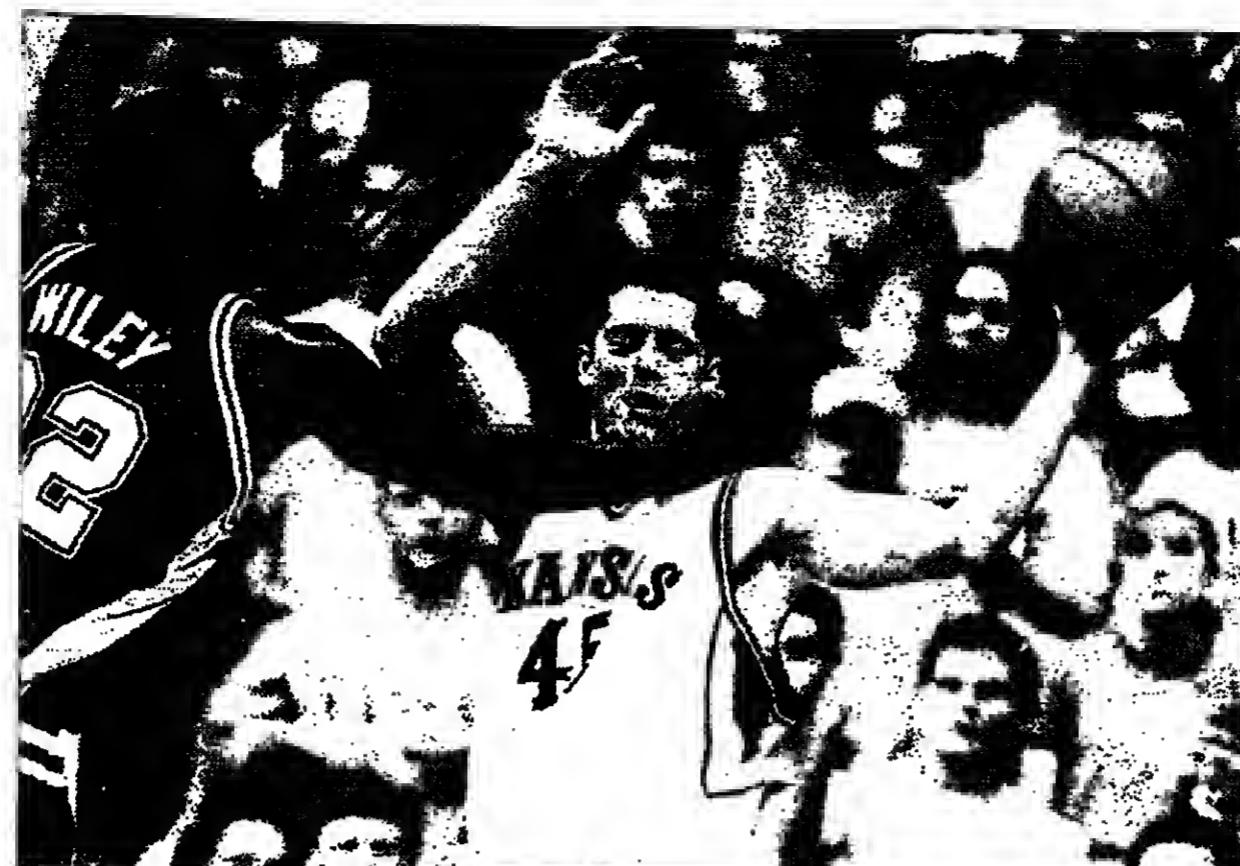
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Jockeying for Position In NCAA Tournament

Some Good College Teams Will Be Left Out

By Josh Barr
Washington Post Service

WASHINGTON — Mike Jarvis, the basketball coach at George Washington University, looks at his team's schedule, looks at the results and thinks it already has accomplished enough to merit a bid to the NCAA tournament.

Jimmy Collins, the coach at Illinois-Chicago, does the same thing and thinks his team, though less heralded than Jarvis's, is also deserving.

But one, or both, of their teams could be left out March 8 when the NCAA announces the 64-team field for what many consider the nation's top collegiate sporting event.

Though Jarvis and Collins coach in different conferences, in different parts of the nation and their teams have no common opponents, their futures are related.

Of the 64 NCAA tournament bids, 30 are awarded to conference champions — 28 of which are decided by conference tournaments; the Pacific-10 Conference and the Ivy League will be represented by their regular season champions.

The remaining 34 teams receive at-large bids. Those teams are selected by the nine-member Division I men's basketball committee based on several factors, including, but not limited to: won-lost record, road record, recent play and the "Ratings Percentage Index" — a computer ranking of all 306 Division I teams that is based on record, strength of schedule and opponents' strength of schedule.

Those factors, combined with increasing parity, have teams from some of the nation's top conferences — such as the Atlantic 10 in which George Washington (20-7) plays — competing with lesser-known teams for a berth to the NCAA field.

And several of the traditional top conferences — the ACC, Pacific-10, Big 12 and Big East — seem quite likely to have fewer of their teams invited to

the NCAA tournament than usual this season because they all have some struggling teams that have been beating each other in conference play.

For instance, at one point this season there were seven ACC teams in the top 25. Only three will finish with winning records in conference play.

Thus, such teams as Illinois-Chicago (22-4) and Detroit (23-4) — both of the Midwestern Collegiate Conference — appear in have a better chance should they fail to win their conference tournaments. So do Murray State (26-3), Illinois State (20-5), Iowa (24-5), Utah State (20-7), Ball State (19-5), Gonzaga (21-8) and Western Michigan (19-9), with wins over Michigan and North Carolina at Charlotte.

"I can remember all my years in the Big Ten — of course, being in the Big Ten, you think you're superior in everyone else," said Collins, now in his second season at Illinois-Chicago after 13 seasons as an assistant coach at Illinois.

But, he added, "I always thought that putting five or six teams in from one conference was unfair. Every team gives to the NCAA and pays their dues and does their bleeding, but it just doesn't seem fair. I wouldn't have gone public before because I was just glad to be in it."

Just two weeks ago, few would have thought George Washington would be in this predicament, possibly needing one or two more victories to secure an NCAA tournament berth. The Colonials had won 15 of 16 games and risen to No. 17 in The Associated Press poll, their highest national ranking in more than 40 years. But the team has lost its last four games, dropped to third place in the Atlantic 10 West Division and has an RPI of 40.

"If I were on the committee, I'd say we're in already," said Jarvis, who noted his team's victories over Maryland, Xavier and North Carolina at Charlotte. "But I'm not on the committee. The only lock is when you win the A-10 tournament. We could take all that out of their hands and I hope we do."

The Atlantic 10 has six teams that merit NCAA tournament consideration, but five will rely on at-large bids. Many observers believe at least one of the six teams will be left out. In conference RPI, the Atlantic 10 ranks eighth; the ACC, which will probably have four or five teams in the NCAA tournament, ranks first.

"If anybody else gets six," the ACC should, said Maryland coach Gary Williams, whose team has clinched third place in the ACC. "It should be taken into consideration that our league is the best league. Not because I say it is, but because the RPI says so."

Meanwhile, Collins is not certain the MCC will get two bids, even though Illinois-Chicago and Detroit rank 22nd and 23rd in the RPI. Detroit has beaten Michigan State, the first-place team in the Big Ten, and Western Michigan. Illinois-Chicago has beaten Michigan State and Illinois State.

"There are mid-major teams knocking off these so-called power teams all the time," said Collins, who also remembered when Illinois lost in the NCAA tournament to Austin Peay in 1987 and Dayton in 1990.

"If you want to be fair about it," he said, "we should get a shot."

